

## e-VAL: Project evaluation from different perspectives

### 1. The benefits

Today, any organization doing development work with taxpayers' money will be asked what it has actually accomplished. For decades the focus was on inputs: now it is on benefits. The reasons for this shift in focus are:

- Higher expectations: One key political rationale for development cooperation disappeared along with the Cold War: keeping recipient countries in the "Western camp". Now attention focuses on the struggles against poverty, social destabilization and environmental degradation.
- Greater dynamism: Economic and social development are now closely tied to global markets. This has injected greater dynamism into the larger frameworks for development projects.
- Growing doubt: Doubt about the effectiveness of development cooperation as it stands – fed by the deteriorating situations in many developing countries – is growing among both the general public and policymakers.
- Lower priority: The development community also complains about constraints on its effectiveness, such as poor interplay with foreign and economic policy, or funding that falls woefully short of public expectations.
- Questionable quality: Finally, some say the lack of impact is due to ineffective planning and the poor quality of implementing organizations.

Development cooperation is under fire. Criticism is directed at all levels, from details to fundamentals. This trend represents a serious threat to the future of development cooperation. Good intentions, carefully planned processes, punctual inputs and optimistic reports are no longer enough. No matter how little leverage development cooperation can actually exert on the global status quo, it will still have to face interrogation on impact and benefits. Precisely when its scope for action is being curtailed, it must demonstrate how effectively it uses funding and how significantly it contributes to economic and social development in poor countries.

### 2. Results are what count

Our company has been quick to see the writing on the wall and to take action. Concentration on impact in everything we do is an integral element of long-term corporate planning. Impact orientation is one of three goals set for 2003.

With the new commission framework (AURA) introduced last year, we assume our share of responsibility for achieving development-policy goals. The German Federal Ministry for Economic Cooperation and Development (BMZ) has granted us the latitude we need to meet this responsibility. We are obliged to plan realistically, pursue objectives systematically, and report meaningfully. We have started revising our in-house procedures and working methods so we can meet our obligations. It is now crucial that we sharpen our focus on results.

In **project steering**, we must abandon the notion that precise planning of each step is the surest way to achieve objectives. Step-by-step implementation of planning does not guarantee success. Unforeseen secondary impacts can even undo the development already achieved. Yesterday's targets may mislead us today. New opportunities or unforeseen obstacles may arise, and reactions to these must be flexible, timely and appropriate. Projects and programs must be flexible and geared to real development impact. Only in this way can we realize our share of responsibility. One great aid to success is professional impact monitoring, which is effective even when frameworks are changing rapidly.

We also need impact monitoring for corporate **accountability** vis-à-vis the general public and policymakers. Our own monitoring and evaluation have uncovered no serious quality deficits to date in our project and program work. Though their focus may not yet be perfect, these procedures give us good grounds for believing that in a world awash in exploitation, corruption and violence our work gives many people hope. We have nothing to fear from questions about the impact of our work under such difficult circumstances. It is not the odd failure that might undermine our position, but claims of success that lack credibility. We must therefore see to it that we give realistic and credible answers to questions about results, which are, after all, questions that all development organizations must face.

### 3. Implementation

Quality assurance has always been important at GTZ. During the 90s, precautionary advance measures were established to ensure high-quality work.<sup>1</sup> These efforts culminated in the company-wide introduction of EFQM in May 2001.

From 1998 onwards, attention shifted to impacts. At the time, there were almost 40 cross-project impact monitoring initiatives in our company. GTZ's Managing Directors commissioned Unit 04 to revise the existing evaluation instruments and develop new ones that would harmonize with decentralization.

Our standard project evaluation instruments were readjusted to combine internal and external evaluations as complementary components of a single evaluation system:

- The **project progress review** was transformed from a Head Office monitoring instrument into a self-evaluation instrument for use by officers responsible for commissions, oriented towards impact monitoring.
- A team of **auditors** was hired on a permanent basis to conduct external evaluations of projects and programs.
- Responsibility for the **single-project evaluations** formerly conducted by the BMZ Evaluation Section was transferred to GTZ's Internal Evaluation section.

**Cross-section analyses** of impact monitoring – in use since 1994 – are still employed, unchanged, today. Although they clearly need to be revised, the advantages of having comparable data for the "How successful is Technical Cooperation?" report published at the end of each year are significant. Thus it was felt that these analyses should not be given up until we were sure we had a better alternative. One such alternative emerged during cooperation with the Bremen business consultancy Neuhimmel, launched in 2000. Neuhimmel proposed a new electronic interview procedure already in use at many institutions in both the private and public sectors.<sup>2</sup>

Initial tests showed the great potential of the procedure, but it needed extensive revision for GTZ's evaluation purposes. After two years of development and numerous further tests under practical conditions, a computer-based evaluation instrument is now available for company-wide introduction under the product name "e-VAL". The Managing Directors decided to introduce the new tool starting in 2003: first in 200, then in a further 300 projects in 2004. The instrument is launched via a series of two-day training courses that started in May 2003 both in Germany (Bremen) and abroad. Selection of participants was left to the Directors General of Departments 1 to 4.

---

<sup>1</sup> Milestones included: 1993 flexibilization, establishment of GQA; 1994 quality criteria; 1995 Total Quality Management; 1996 10 rules of conduct; 1997 core process, quality consultancy teams, GTZ senior management committee quality management guidelines; 1998 "We are the GTZ".

<sup>2</sup> Cf. [www.nextpractice.de](http://www.nextpractice.de)

## 4. e-VAL

For our purposes, evaluation instruments must meet three requirements: credibility that guarantees public accountability, usefulness for project steering, and workability within our decentralized structure. e-VAL can set new standards for credibility, deliver results that aid accountability and project steering, and conform to decentralized structures.

### 4.1 Credibility and reliability

The judgments of experts enjoy maximum credibility among clients, policymakers and the public. GTZ cannot do without them, but it cannot depend on them exclusively either. The funds needed for thoroughgoing expert evaluation are not available. The expert-appraisal approach is also inconsistent with decentralization, because it makes staff members in the field less instead of more responsible for evaluation. And even when the methodology guarantees objectivity, the people concerned – at least when the content is crucial – view the conclusions of experts as only one perspective among many.

What lends the e-VAL procedure credibility is not objectivity of judgment but rather the comparison of the different perspectives of GTZ staff, counterparts and target groups. e-VAL does not employ a standard, prescribed set of criteria, but instead lets the interviewees use their own standards to judge the project, which they know from various angles. e-VAL interviews are conducted in a series of similarly structured cycles, in which the first step is for the interviewee to choose his or her own concrete standard and then to apply that standard to the defining elements of the project, one after another. Like experts carefully applying a methodology, they do not make a single blanket judgment, but rather form a number of individual, qualitative judgments. These are then assembled into the larger picture as it exists in the interviewee's mind, using proven methods of statistical calculation ("major component analysis").

The large number of interrelated judgments yields a precise evaluation which maintains its integrity even if one or two of the judgments turn out to be imprecise. e-VAL does not use electronic data processing to "objectify" a statement but, rather, to express the subjective viewpoint of the interviewee as authentically as possible. To harness the judging capacities of well-informed individuals is in effect to employ an analytical apparatus that is equal to the complexity of the subject. Instead of impersonal, apparently disinterested judgments, e-VAL aims, on the contrary, to gather judgments that are personal, qualitative and often very much affected by feelings. These purely subjective, individual evaluations are then assembled into wider perspectives along clearly defined group lines, and then compared with one another.

The reliability of e-VAL analyses is verifiable:

- When members of a group of interviewees come up with significantly diverging judgments about a particular project, differences in values and/or attitudes within the group itself are indicated. The results will then need to be interpreted primarily in terms of inter-relationships within the group. If, on the other hand, the judgments are homogeneous, the perspective becomes more convincing and more useful for comparison with other perspectives.
- e-VAL comparisons of perspectives may reveal divergent positions that cannot be resolved into a single, standard judgment. In contrast, a convergence of essentially homogeneous perspectives indicates a highly accurate and reliable judgment.

### 4.2 Project steering

Project management needs to be aware of all perspectives if it is to steer a project or program reliably. The key criterion here is not objectivity but the degree of convergence. In other words: for project steering, an inaccurate judgment is also important, provided that it was not made by an individual but by a group, and with a high degree of convergence. One of the strongest

factors for success is that all of the actors in a project want to move in the same direction. Conflicting perspectives – whether they are "objectively" accurate or not – do not tend to lead to success. People act according to subjective convictions, values and feelings: the more similar these are, the better they cooperate. e-VAL therefore responds to an observation common in development cooperation: the *real* "hard factors" for success are in fact "soft factors".

As stated, in an e-VAL interview, personal standards are formed and then applied to the various aspects of a project, one after another. Individuals create standards on the basis of their own experience, using concrete, usually qualitative statements. One standard might be, for instance, a point on a continuum between the poles "believes in state support" and "trusts private initiative". All project elements – objectives, framework conditions, partner inputs, etc. – are then judged by that standard. To arrive at an overall picture that is derived from repeated individual judgments, e-VAL requires only the relative position of a given factor to the selected standard. The descriptive aspects are retained and presented in the evaluation, so that not only the position of each element but also its qualitative characteristics may be observed. Thereby e-VAL evaluations include a rationale for each judgment.

### 4.3 Decentralization

The adaptation of e-VAL to our organizational culture is based on the same principles that guided us through decentralization. The most direct knowledge available is used as a basis for judging a project. e-VAL then incorporates the judgments of a number of individuals who are involved in the project in a variety of ways, either as actors or stakeholders. The expectation that decentralized decision-making can enhance the quality of our work is thus integral to evaluation.

e-VAL is a process of mutual exchange. Once interviewers have attained a certain proficiency, interviews take on average less than two hours; twelve interviews (four per perspective) are expected per project every two years. Assuming that the same amount of time is required for preparation and follow-up as for the interview itself, around 2 hours per month will be required on average for data input. In exchange, users can access the key figures on any segment stored on the e-VAL server. These data can be accessed through any e-mail-capable computer anywhere in the world.

Decentralized responsibility allows a more flexible approach, one that is better adapted to local circumstances. At the same time, a special effort is needed to stamp a single corporate identity on hundreds of linked but autonomous teams. e-VAL meets this requirement by structuring interviews in a particular manner. While the **elements** describe the object (a TC project) to be judged, the **theme** indicates the aspect under which the judgment has been made. When the program was developed, care was taken to ensure that the prescribed elements and themes reflected today's TC as accurately as possible. To the extent that the program developers succeeded in doing this, the elements and themes are of course liable to become quickly out of date. The list of elements and themes is therefore open, in other words personal elements and themes that emerge during interviews can always be added. The lists of elements and themes are updated annually. The interview segment of e-VAL alone, therefore, indicates what we are working on together and the main issues of our discourse.

Agreement was reached with our Staff Council that e-VAL evaluations that are accessible company-wide are not to be viewed below the overall project level. However, the officers responsible for commissions can, through a specially secured evaluation routine, retrieve all interview data for all projects under their responsibility. They may then distribute that detailed information to any of their colleagues. Thus e-VAL provides staff members in-country with valuable information on our company's project portfolio and leaves input and dissemination entirely up to the officers responsible for the commission.

## **5. e-VAL – a supplement**

It is anticipated that e-VAL will be an important catalyst in corporate impact monitoring. When applied on a regular and company-wide basis, the procedure will be able to supply an up-to-date overview of virtually any segment of the corporate portfolio. It is therefore planned to replace the impact monitoring questionnaire which has been used to date. Other established evaluation methods will, however, remain unaffected, and will be further developed independent of e-VAL. Consultants conducting project progress reviews may use e-VAL along with other instruments, but the PPR will remain a key component of our evaluation system. e-VAL will supplement – not displace or alter – monitoring and evaluation instruments already in use in-country.

Like most software, e-VAL needs some practice for proper use. It is something like a foreign language which the user must learn to speak (interview) and comprehend (evaluation). Both aspects take some getting used to but get easier as time goes on. Ultimately, e-VAL opens up new horizons of communication.

## Annex

### e-VAL in the Context of Other GTZ Reforms and Instruments

Since the start of e-VAL in March 2003, questions have been asked about how it is integrated into corporate development and how it relates to other instruments.

#### 1. e-VAL and decentralization

As with the decentralization process, e-VAL depends on the experience and knowledge of best-informed individuals.

e-VAL helps considerably to strengthen and professionalize independent or autonomous evaluation.

e-VAL's annually updated lists of elements and themes help consolidate the corporate identity of an enterprise with 800 teams in 100 countries.

#### 2. e-VAL and the guiding principles of quality management

For GTZ, quality means delivering **services that meet client requirements**. On the basis of this first guiding principle, GTZ introduced the EFQM quality management system, which is geared to client satisfaction.

GTZ's corporate culture focuses on **service quality**. This second guiding principle does not delegate the effort for top quality to some central monitoring body, but requires that each and every staff member make quality his or her particular concern. e-VAL trusts in the judgment of GTZ staff, partners and target groups in-country. Thousands of interviews yield an up-to-date and readily comprehensible overall picture of our portfolio that is open to all e-VAL users.

Ultimately, GTZ clients want **results that can be put to good use**. This third guiding principle of our quality management thus links client satisfaction to actual development. In practical terms, this client orientation means precise and continuous monitoring of our services and their impacts. e-VAL is an instrument that meets this challenge.

#### 3. e-VAL and AURA

AURA and e-VAL are both innovations that respond to today's challenges in TC.

AURA spurs us to focus on the impacts of our work.

To do so, we must revise and supplement our monitoring and evaluation instruments.

The fundamental concepts – standards of quality management, a new impact model based on the latest research, a close linkage between self-evaluation and external evaluation – had already taken shape in early 1998.

In 1999, impact orientation and self-evaluation as part of project progress reviews (PPR) were strengthened.

In 2000, work began on developing e-VAL; the tool is now ready for the traditional TC sector and allowed to "ripen".

e-VAL helps the officer responsible for the commission to judge whether the project is on track.

e-VAL is based on the knowledge and experience of best-informed individuals. e-VAL is 100% controlled by the officer responsible for the commission.

AURA requires that indicators for the achievement of objectives be defined. These may be quantitative ("28% have found a job") or qualitative ("28% say they have found a better job"). e-VAL quantifies qualitative indicators that are based on opinions.

AURA anticipates impacts based on the assessments of well-informed individuals. e-VAL can record, summarize, quantify and depict such assessments. e-VAL can be used both for direct impacts and for impacts resulting from the achievement of objectives.

e-VAL does not generate an evaluation report intended for third parties. It does generate a wealth of information about the current situation and possible changes in risks, information that can indicate management interventions the client should consider.

Projects and programs must be managed flexibly and always with results in mind. AURA provides the necessary directives, e-VAL aids implementation.

We must meet the considerably higher demands being placed on us by policymakers and the public to improve our accountability. Through AURA we assume responsibility for achieving set objectives; with e-VAL we can credibly demonstrate whether and how we have achieved them.

#### **4. e-VAL and EFQM**

EFQM relies on policy and strategies, good staff orientation, efficient resource management and client-oriented processes to achieve positive operating results. Management can therefore use EFQM as a key instrument for client satisfaction. e-VAL enters the picture in two ways:

- a) e-VAL can be used to conduct differentiated client interviews.
- b) e-VAL reveals development impact, which is the driving factor for quality management.

#### **5. e-VAL and knowledge management**

Once e-VAL is applied as planned, it will be a key source of data for knowledge management. It will enable us to identify – on the basis of thousands of interviews conducted by our experts – the specific factors that determine failure or success in development work.