

The mixed impact of impact evaluation

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Impact evaluation is a reality in the non-profit world, as is evident from this issue of *Alliance*. We do not actually know, however, how those who work in the non-profit field perceive it. Do those who depend on grants for their operations and those who provide these grants believe the current methods of evaluating non-profit progress are valid? Are these evaluation methods conducive to improving organizational effectiveness? Do grantmakers and grantseekers look at the evaluation process in the same way? To learn more about these perceptions, *Alliance* and *Keystone* surveyed organizations in the civil society sector during September and October 2007.

Approximately 300 people responded to the survey, 226 (76 per cent) representing organizations that are primarily grantees and 72 (24 per cent) representing those that are mainly donors.[1] The survey respondents replied to announcements in newsletters and websites aimed at a civil society audience. As such, they were self-selecting and not part of a scientific survey. A consequence of this – and one that should be kept in mind when reading the results – is that the grantmakers who took part were not funders of the grantees who did, which means that none of the respondents is talking about exactly the same experience of evaluation. This caution should be borne in mind when reading the figures, and in particular when making comparisons between the two groups. Nevertheless, their responses provide an interesting view of the perspectives of this group of donors and grantees.

One might expect that donors, who want proof that their money is being spent wisely, would see the evaluation process in a more favourable light than grantees, who have to spend time and money on evaluations that would otherwise be spent on carrying out programmes directly. To some extent, the survey proved this assumption true, as the donors see themselves as more flexible, cooperative and professional than their grantees see them. For the most part, however, both groups see the process in a similar light. They agree on the purpose of evaluation and find evaluation reports to be somewhat, but by no means entirely, helpful to grantee effectiveness.

The survey and the respondents

The survey asked those who responded as grantees to describe their experience with a single significant funder of their organization. Those who responded as donors, on the other hand, were asked to describe their perceptions of the way most of their grantees approach the evaluation process. Both groups were asked to provide information about themselves, and the grantees also described the donors they had in mind as they responded to the survey.

The 226 grantees represented all types of civil society organization (CSO). Forty-three per cent have budgets under \$500,000; 34 per cent between \$500,000 and \$3 million; and

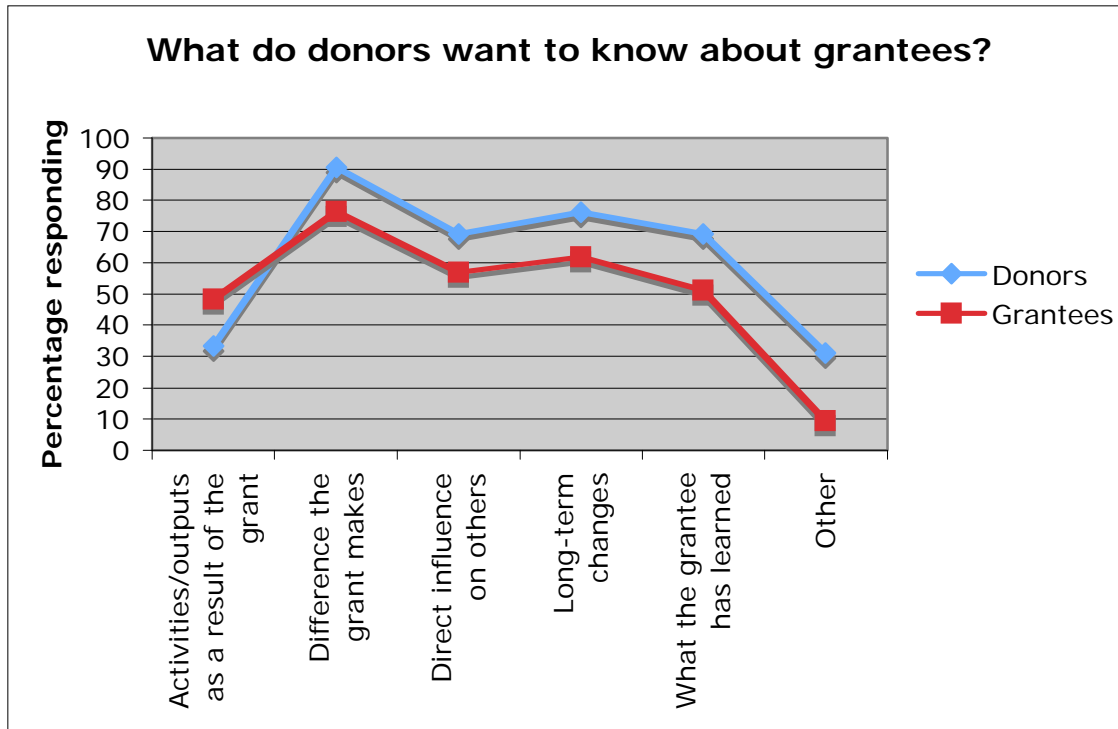
23 per cent over \$3 million. Fifty-eight per cent have fewer than 15 employees, but almost 20 per cent have 50 or more employees, and 2.5 per cent have no staff. Almost half the grantees (45 per cent) describe themselves as national in scope, 17 per cent as regional and 37 per cent as international. The grantees also reported that they cover the full spectrum of issues that CSOs support, but an unusually large percentage (41 per cent) indicated that they support civil society and institutional strengthening.

The donor respondents and the donors described by the grantees also represent a broad spectrum of organizations. Approximately 60 per cent in each group are private (as opposed to government) organizations, and of those private funders, approximately one-third are endowed foundations. The rest are split among corporate, community and family foundations. Half the donor organizations are younger than 20 years, and three-fifths provide more than \$30 million in grants each year. Fully 80 per cent of the donors described by both groups are international in scope, and 13 per cent are faith-based.

The whys and wherefores of evaluation

Virtually every donor requires some sort of evaluation. None of the donors and only one grantee responded 'never' to the question of how often evaluations are required. In fact, 98 per cent of donors and 94 per cent of grantees answered that reports are due at least annually. Donors were more likely than grantees, however, to say that reports are due twice a year, while grantees were more likely to suggest reports are required more frequently than this.

Both donors and grantees appear to agree on the purpose of evaluation. When asked what donors want to learn about grantees from an evaluation report, both groups answered that the primary purpose is to understand the differences that grantees make as a result of a grant. Donors also seek, in descending order of importance, to understand the long-term changes that grantees are making, their influence on others, what the grantees are learning, and the actual activities and outputs that the grant has underwritten. More than 80 per cent of grantees said that they agree with their donors on the definition of success before they receive their grants. When given an opportunity to suggest that donors ask for evaluations for their own selfish purposes, most grantees attributed nobler purposes to their funders.[2]



What information is collected

The survey also asked which changes donors require grantees to track, which changes grantees actually track, and which changes grantees assume donors require. Almost 100 per cent reported that they sometimes or always collect information on changes in activities and outputs as a result of the grant and on changes in the number of beneficiaries reached. Between 90 and 95 per cent sometimes or always report on changes in groups, institutions or systems that they influence directly, while between 80 and 85 per cent sometimes or always report on changes upon which the programme will have an indirect effect. A similar number report on changes in productivity (the cost and level of effect needed to achieve impact).

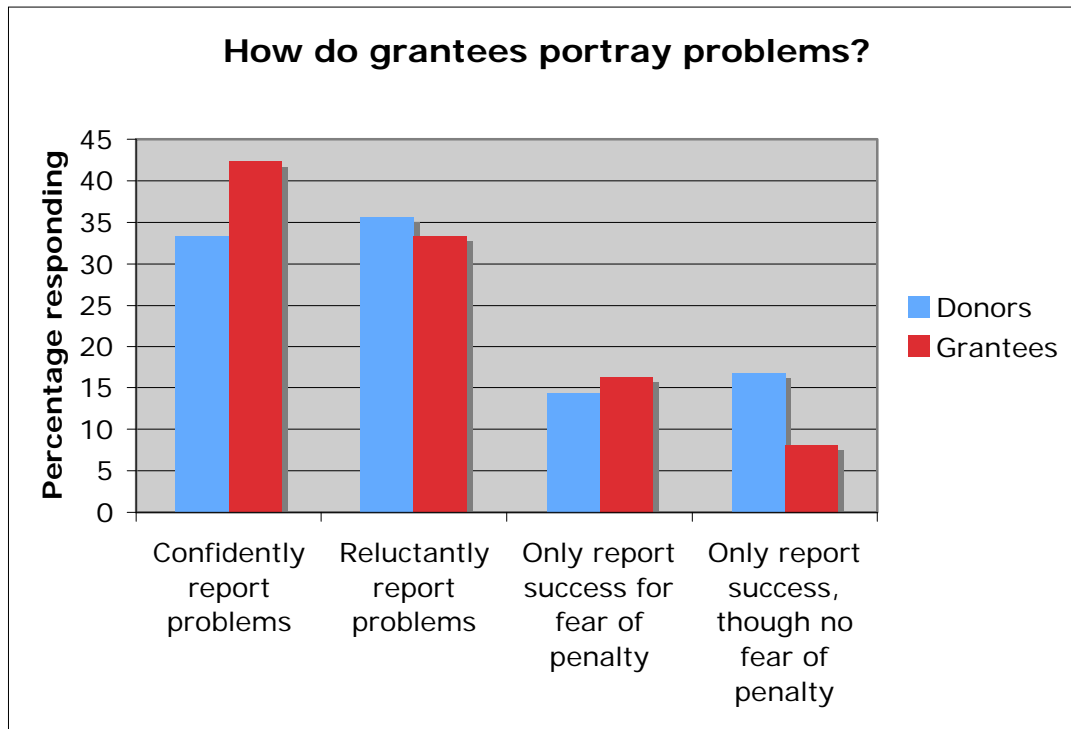
In each of these cases, grantees are more likely to track the changes voluntarily than to respond to a requirement from a donor. In other words, grantees are probably keeping this information for their own purposes, as well as for their donors. Additionally, grantees were less likely to report that donors require the tracking of specific information than were the donors. For example, 72 per cent of donors responded that they always require grantees to track changes in output and activities, but only 59 per cent of grantees reported that their donors require this.

A second question concerned which perspectives grantees are required to take into account when carrying out evaluations: senior management, beneficiaries, staff, partners and peers, or board members. In more than one-third of cases, the donor does not specify

the perspective. When the perspective is specified, beneficiaries and senior management's points of view are most likely to be considered.

A third question, which inquired into donor flexibility, revealed a discrepancy between donors' and grantees' perspectives. When asked whether they would adjust reporting requirements in order to make a grantee more effective, 62 per cent of donors responded affirmatively but only 24 per cent of the grantees thought the donors would actually make these adjustments.

Questions dealing with whether grantees feel comfortable reporting problems also revealed some interesting discrepancies. A majority of both groups reported that grantees feel comfortable in reporting problems to donors, but donors (68 per cent) were more likely than grantees (56 per cent) to assume this degree of comfort. On the other hand, grantees are more likely actually to report problems than donors think they are. Seventy-six per cent of grantees claim to report problems, confidently or reluctantly, while only 67 per cent of donors assume this degree of openness in their grantees.

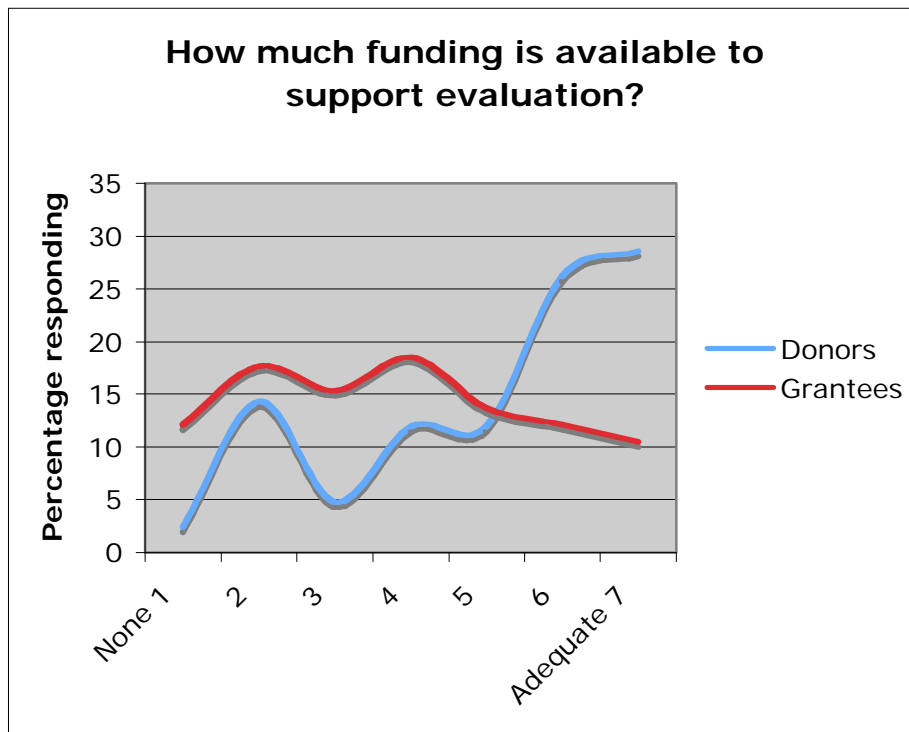


The extent of the burden on grantees

Even though reporting takes time and resources away from carrying out programmes, the vast majority of both donors (83 per cent) and grantees (80 per cent) see evaluation as either taking up just the right amount of resources or as being a burden that is not overly

distracting. Interestingly, donors are more likely to say reporting is ‘somewhat burdensome’ than grantees, and grantees are more likely to say the burden is ‘just right’.

The financial burden on grantees is another matter. When asked about the extent of funding offered for evaluation, 2.4 per cent of donors and 12 per cent of grantees responded that no funding is offered, while 29 per cent of donors and 10 per cent of grantees suggested that evaluations are fully funded. Once again a discrepancy exists between the perceptions of donors and grantees, but the most striking point is that no one, not even among the donors, claims evaluation is adequately funded.



Usefulness of evaluation

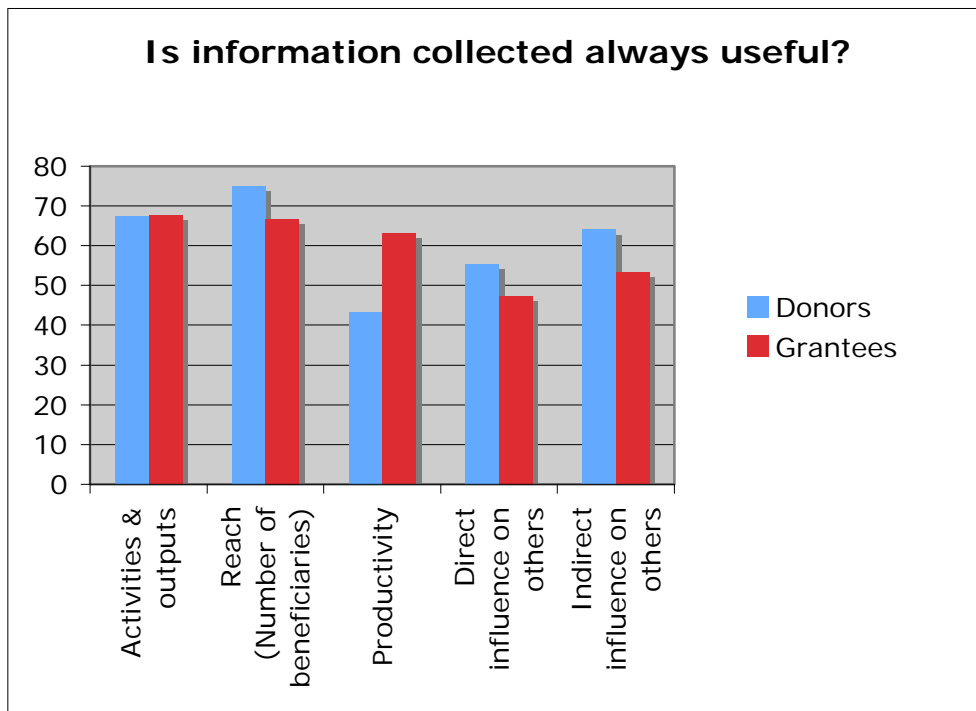
The survey asked several questions about the usefulness of the evaluation process, and the responses show up weaknesses in the process as currently administered.

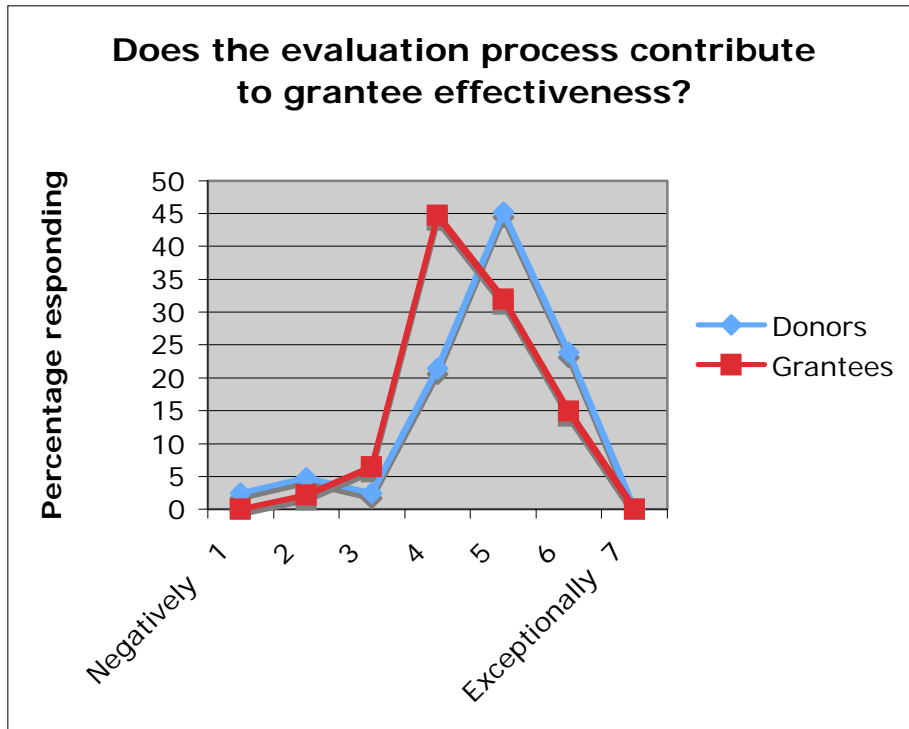
One question concerned how donors use evaluations once they are completed. Donors generally see themselves as more actively involved in this follow-up stage than grantees see them. Almost one-third of grantees, for example, suggested that donors have no follow-through, while only 5 per cent of donors admit to this degree of inertia. Four-fifths of donors, on the other hand, said that they discuss evaluation reports with their grantees, a much higher percentage than the 56 per cent of grantees who report discussing the report with their funders. Donors were also more likely than grantees to say that they (the donors) use evaluations to improve their own effectiveness and to learn how reporting enhances grantees’ effectiveness. Thus, it appears that a discrepancy exists between the

perceptions of donors and grantees, but that, whatever the case, the donors could and should be more actively engaged after completion of the evaluation.

How do grantees use evaluations? One question asked whether grantees publicize their conclusions about the various impacts that they have tracked. Here, grantees were more likely to report positively than donors. Almost half the grantee respondents said they always communicate changes in activities and outputs as a result of the grant as well as changes in the numbers of beneficiaries, but only 17 per cent of donors believe that grantees always do so. Similarly, although approximately one-quarter of the grantees reported that they always publicize their results with respect to productivity and systemic changes, a smaller proportion of donors believe they do so. Once again, there is both a discrepancy in perception and obvious room for improvement.

A question about the usefulness of the evaluation process elicited somewhat mixed responses. Most grantees thought collecting most of the information is always useful, but their overall impression is that the entire reporting process is neutral with regard to grantee effectiveness. The donors were quite close to the grantees in their impression of the usefulness of collecting specific data relating to specific impacts but they were slightly more positive than the grantees about the usefulness of the entire process. The tables below summarize these responses.





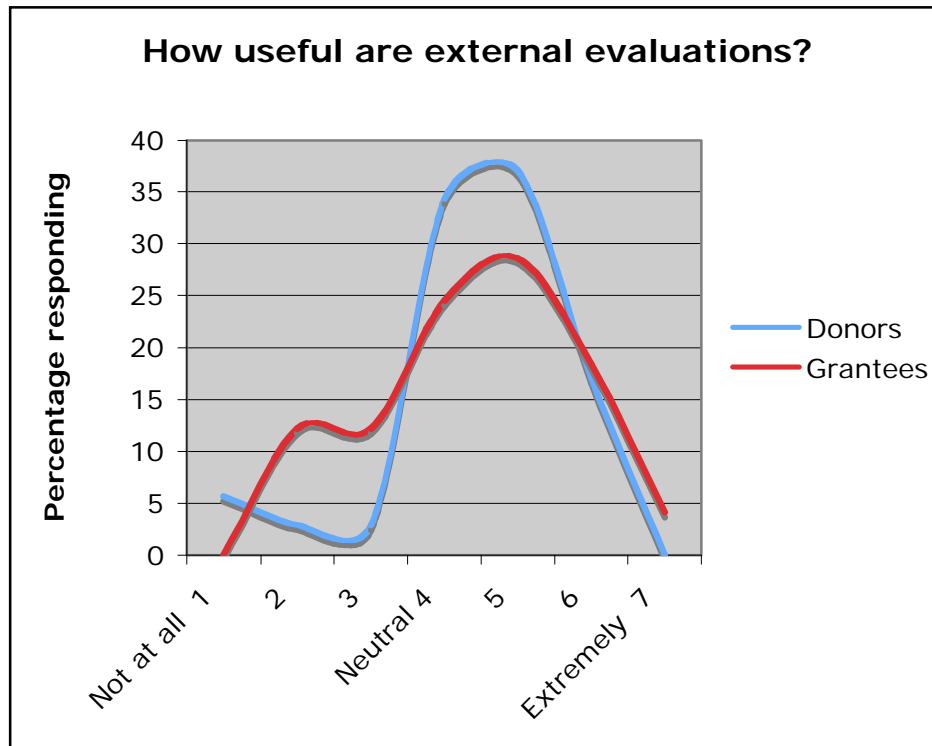
External evaluations

External evaluations are less common than internal evaluations. Only 23 per cent of donors require external evaluations at least half the time, and only 38 per cent of the grantees reported having undergone an external evaluation with the donor they referred to throughout their responses.

Donors generally consider themselves as being quite flexible in naming the evaluator, defining the terms of reference, and adjusting the terms of reference to meet revised objectives. While grantees also see some flexibility on the part of donors, they consistently see donors as less flexible than donors see themselves. Similarly, 100 per cent of the donors reported that their external evaluations are forward-looking, designed to highlight what works, what to sustain and what to change in the future. Only two-thirds of grantees held similar views.

The grantees' comments may explain some of these discrepancies. Frustration with a lack of understanding on the part of the evaluator emerged in several comments. As one respondent noted, 'External evaluators need to understand an organization's objectives and why they do things the way they do before making assumptions.' Another wrote, 'External evaluations are done using a quick method, and thus use tools which are not always adequate and appropriate to capture the range of impact (especially the indirect impacts). It is always useful to include a local expert in the team, especially one who is familiar with the local development context and is somewhat familiar with the NGO's work.'

Perhaps the most striking response was to the question about the usefulness of external evaluations. None of the donors found them extremely useful (7 on a scale of 1 to 7), and almost 6 per cent found them not useful at all. In contrast, 4 per cent of the grantees found them extremely useful and none reported that they were not useful at all. Slightly more than half the donors believe external evaluations are somewhat useful (5 or 6 out of a possible 7), while 47 per cent of grantees provide the same response. Once again, donors and grantees have relatively similar perceptions of the usefulness of the evaluation, but neither group seems to find the process extraordinarily useful.



Conclusions

Although this survey was not a scientific one, it gives us some understanding of the perceptions of those who chose to respond. It appears that donors and grantees alike understand the reasons for evaluation and are in relative agreement as to what information should be collected and reported. Neither donors nor grantees find the evaluation process overly burdensome, but even donors agree that they do not provide sufficient funds for grantees to carry out evaluations.

In general, donors consider themselves more flexible in setting up evaluations, both internal and external, than grantees see them. The donors also think they do a better job of engaging grantees and learning from evaluations once they are finished than grantees think they do. On the other hand, grantees claim they publicize the results of evaluations more frequently than donors think they do.

It is only to be expected that a survey will find that different groups of respondents see themselves more favourably than other groups do. Nevertheless, these responses also suggest areas for better communication between donors and grantees.

Finally, both donors and grantees find the evaluative process to be 'somewhat useful'. This finding is a mixed one. While we did not find a disgruntled group of grantees, nor did we find complete satisfaction on the part of either group of respondents. Impact evaluation might be an answer, but, as currently practised, it is not a complete one.

1 A handful, such as community foundations and international aid organizations, were both donors and grantees. For the purposes of this survey, most of these organizations chose to answer as either donors or grantees.

2 The grantees were given several possible motives for the donor's interest in the evaluative information. Obtaining an account of the way the funds have been spent, determining whether to continue funding, and adding knowledge to the field all came ahead of bureaucratic and publicity purposes.

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