

Part 3 Procedures for improved result orientation

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I Improved result orientation in the partner relationship

1.1 Basis: match of vision and objectives

The main principle underlying Hivos' selection of partner organisations is a match in the goals and objectives we are working for: Hivos and its partners are active in the same 'domains of change', striving for the same goals from a (largely) shared vision on development and change.

For Hivos, these goals lie in two main policy domains: Civil Society Building (CSB) and Sustainable Economic Development (SED) and have been articulated in its policy paper 'Civil voices on a global stage' and several sectoral policy documents.

The assumption in Hivos' approach to result orientation and result assessment is, that if the objectives of Hivos and its partners match, we may expect that the achievement of results of partners contributes to the achievement of Hivos' objectives.

The core of the approach is that Hivos requests its partners:

- to invest in developing an organisational process and practice of result orientation and result assessment that suits their own needs for information, learning and accountability, and those of their constituency and other stakeholders;
- to propose to and negotiate with Hivos anticipated key results and related indicators, that will be the focus for monitoring of the contract with Hivos.

It means that Hivos will not use standard indicators that all partners have to report on. Partners can choose the methods and instruments for result assessment that they consider to be the most appropriate in their situation. They are free to use the Logframe matrix or other formats if they feel comfortable in doing so (or if other donors demand it), but from Hivos' side it is not compulsory. Participatory approaches in programme design and monitoring results are recommended where possible, but which methods partners decide to use is their choice.

The main considerations for this approach are related to the question what type of donor Hivos wants - and pretends - to be and the type of relationship it seeks to have with its partners, and to issues of feasibility and effectiveness. The fact that partners have more donors than just Hivos underscores that it is unrealistic to expect partners to develop effective result assessment practices if all donors impose their own requirements and indicators. Secondly, many organisations have experienced that donor-imposed systems lead to mechanistic, unmotivated and unreliable data collection and increasing bureaucracy. They often turn out to be a burden for all actors involved, without any real improvement of steering for and insight in results. Not to speak of any real reflection and learning taking place, resulting in enhanced achievement of development objectives.

Use of terminology

Hivos uses the DAC Glossary of Key Terms in Evaluation and Results Based Management (ref. Part 5: Annexes) as a basis for the terminology in its policies and communication around result orientation and result assessment. The Glossary is available in English, Spanish, French and Portuguese. However, in the field of PM&E, result assessment, result-based management, etc., development organisations, experts and donors do not use terms and definitions in the same way. In view of the number of partners, all of whom are working with different donors, Hivos does not expect that in the communication with its partners a uniform use of vocabulary will be possible. Nevertheless, in negotiating contracts it is important that the partners understand the agreement in the same way. For a more specific explanation of terms as used by Hivos, please refer to Part 4 of this document on programme design and the selection of indicators.

1.2 Procedure for result orientation in the relation with individual partners

1.2.1 Design and planning

Funding applications/ programme proposals to Hivos should contain clear objectives for the period of the plan and indicate the main results to be expected.

The timeframe of objectives can be short-term (1-2 years) and mid-term (3-5 years) and should be placed in the perspective of the longer-term goals of the organisation (longer than 5 years).

The anticipated results should be formulated at the level of:

- 1) output¹ and outreach (specified for the first year, estimation for the whole contract period);
- 2) effects² of the activities that are directly related to the intervention or that can plausibly be attributed to it;
- 3) results with regard to improved quality of the partner organisation itself³.

Expected results should be realistic and - at least partly - within the control of the organisation: what you cannot influence, you cannot change.

The plan should specify for (the benefit of) whom these results should be achieved, by which strategies and how the progress will be monitored and result information ('evidence') will be collected.

These requirements for funding proposals are not new, but will get (even) more attention than before in the preliminary phase before signing a contract. Improved result orientation starts with the question what it is that you want to achieve, for whom, and how to get there.

Apart from the regular policy and quality criteria, Hivos will assess funding proposals on the following:

- investment in and commitment to improving the result assessment practice of the organisation;
- choices made are consistent, and explained and justified with clear arguments;
- proposed key results and indicators are realistic, but pose a challenge to the organisation (no under- or overbidding).

In applying these criteria, the organisational development and capacity of the partner organisation will always be taken into account.

1.2.2 Agreement on indicators

¹ DAC definition of output: direct results (products, services) from activities related to short-term objectives. NB This means that the formulation of (indicators for) anticipated results at output level requires more than just the number and nature of planned activities!

² DAC definition of effect or outcome: results in terms of the direct or indirect effects of the outputs, related to mid-term or intermediate objectives.

³ Such as: improvement of strategic planning, internal learning processes, expertise of staff, the relation with stakeholders, delivery of services, etc.

If not yet included in the proposal, Hivos will request the partner to propose a limited set of indicators related to the main objectives and expected results in the contract. Indicators are the variables or 'signs of change' that the organisation plans to use to 'measure' or assess if - and to what extent - the expected result has indeed been achieved. Indicators can be quantitative or qualitative and can be identified at different result levels. Different types of objectives and strategies ask for different type of indicators. For example: a lobby organisation needs other indicators than an organisation delivering services to community-based organisations. An organisation active in the field of Aids prevention needs other indicators than an environmental organisation.

Partners are requested to identify indicators for the main expected results (ref. 1.2.1):

- 1) output and outreach;
- 2) effects of activities;
- 3) organisational quality of the partner.

The choice of indicators for monitoring of the contract and the results of the co-operation should be argued: why is this set considered the most relevant and useful by the partner?

Indicators at *impact* level (for longer-term goals and more structural changes that the organisation is contributing to) are relevant for tracking the results of an organisation over time, and for knowing if it is on the right track with its overall programme. For Hivos, they provide insight in the longer-term perspective of the short- and mid-term objectives and actual activities of the partner organisation. They are also of interest for evaluation purposes if the relationship develops over a longer period. But in the contract agreement impact indicators will in general not be included, as one contract period is too short to assess them⁴.

Selection of indicators

- The indicators should have a clear link with the objectives and the expected results at output- and effect level of the programme.
- The indicators should be considered meaningful in the specific (local) context the organisation is working in and for the main stakeholders and staff. Collecting information on these indicators should add to or improve the information you need in order to know if you are on the right track.
- Objectives, expected results and indicators should be discussed (where possible and relevant) with members, beneficiaries, participants or other people directly involved in or having a stake in the intended change.
- The organisation must be capable to report on these indicators: it is no use choosing indicators for which you are not able to collect the data because you don't have access to it, you lack the capacity or time, the cost is too high, etc.

(More on indicators: Ref. Part 4)

After mutual agreement, the indicators will form the basis for monitoring and evaluation during the contract period. They will be included in the written agreement, as an annex to the contract. Assessment of annual plans and reports, monitoring during duty trips of Hivos staff, and evaluations planned will largely focus on progress related to these main indicators.

In the course of a contract period, an indicator agreed upon may prove to be less relevant than expected or not possible to 'measure'. That indicator can - in consultation - be replaced. Hivos expects from its partners to inform Hivos *in time* when indicators need to be changed or when considerable variance in results is expected, to explain why and to indicate which alternative strategies or indicators are proposed.

1.2.3 Baseline information

In order to be able to assess any change in relation to the objectives of an intervention, one needs to have basic information on the situation at the start of the process.

⁴ Impact indicators may be used in programme evaluations, in which the effects and - where possible - impact of a group of partners with whom Hivos has a long-term relationship, are evaluated.

Hivos requests partners to register a limited (!) amount of relevant quantitative and qualitative data per selected indicator, that reflects the situation at the start of the contract. If that information is not readily available, an agreement will be made on what, how and when the information will be collected.

Result information collected during the contract period should feed into the body of information and knowledge of the partner organisation, serve as updated baseline information for consecutive activities and contracts, and facilitate for more long-term tracking of change.

1.2.4 *Monitoring and assessment of results*

Annually and at the end of the contract, Hivos makes a *qualitative* assessment of the extent to which the expected – and unexpected - results (at output and effect level) have been achieved. The agreed upon indicators will be central to this assessment of the achieved results. In addition, some relevant quantitative and qualitative data to support this assessment will be registered. The assessment will be based on the Annual reports, regular contacts with the partner, duty trips of Hivos staff, an evaluation executed, etc. The assessment consists of a score (from 'highly satisfactory' to 'highly unsatisfactory') and will be accompanied by explanatory information on internal (organisational) or external factors influencing the level of results achieved, especially in cases of negative variance. For example: if in the past year an earthquake or serious political turmoil occurred that hampered or changed the planned activities, this will be registered to explain the variance.

This assessment by Hivos should not be perceived as more severe than before. Like Hivos is used to do, the capacity of the partner organisation will be taken into account in the assessment. Partner organisations in different phases of their organisational development will not be 'judged' against the same standards of quality.

In order to prevent difficult discussions towards the end of the contract, it is important that both Hivos and the partner are alert to make a realistic agreement at the start of the contract. This is a shared responsibility and supposes mutual trust and an open process of negotiation.

1.3 **What's new?**

During the partner consultations, several partners asked Hivos: "What's new in this? We strive since many years to work in a result-oriented way and to use indicators."

This is true for many partners, but not for all. And – as stated in the Introduction part of this paper, and more elaborately explained in the Background part, it is not easy to assess results in development processes effectively and convincingly. Improvement of our practices in this field is necessary, for Hivos as much as for (the majority of) partners. We need to develop both the discipline and the creativity to be able to present the many small and larger changes that we contributed to.

What does Hivos consider different in the new procedure?

- During the period of contract preparation more attention will be paid to the quality of objective setting: clarity and specificity of objectives is essential in order to be able to formulate realistic results and to select good indicators.
- Many partners already identify indicators in their programme proposals to Hivos. But negotiation and mutual agreement on a limited number of (key) indicators as the main focus for monitoring the contract are new for both Hivos and partners.
- The same goes for collecting (minimum) baseline information on the indicators agreed upon.
- The monitoring and reporting agenda for the co-operation between Hivos and partners during the contract period will be more specific than before.

As explained in part II of this document (Background), a new opportunity for Hivos is that it will be able to monitor the performance of its 800 partners in a more systematic way. This is not only important for accountability purposes. Enhanced result-orientation and more systematic access to a

limited body of 'key' result information in the domains Hivos and its partners are active in, will enhance the possibilities for more focused evaluation and for knowledge building and sharing.

In short, the expected advantages of the approach in Hivos' view are:

- it will facilitate a more result-oriented co-operation;
- mutual expectations are clear from the beginning;
- Annual reports should become more focused and better used;
- an incentive for Hivos and partners to critically examine their objectives and ambitions;
- an incentive for realistic planning;
- systematic monitoring is an important basis for learning processes and focused evaluation;
- it will facilitate the exchange of information on results and sharing knowledge and experiences.

II Implementation

2.1 The transition to the new type of agreement

Internally, Hivos started with the new procedure on October first 2004, but it will come into force gradually, starting with new contracts. Current contracts will not be changed.

In most cases however, Hivos will put the discussion on result assessment on the agenda in an earlier stage: programme officers may urge partners to start preparations and discussions in their organisation in time. If a new contract is still some time ahead, Hivos advises partners to use that time to their advantage.

In the first months of transition, the situation may arise that the preliminary phase to the contract proves to be too short to come to a concrete and realistic proposal with regard to result assessment. In that case an agreement may be reached to use part of the first year of the contract to elaborate this further. The specific issues to be addressed and an agreed timeframe should then be included in an annex to the contract.

As said before, for some partners the approach will not present much news: articulating expected results and identifying relevant indicators are already part of the planning and proposal writing. Hivos will stimulate them to improve on their practice and might request them to share their experiences and expertise with other partners.

The first phase (two to three years) of working in this way will be considered experimental: both Hivos and partners need to build their experience in negotiating contracts in this way. Result assessment is a complex matter, it demands investment in time, energy and sometimes money and it is never uncontested. Quality criteria, examples of good practice and mechanisms for exchange and (peer) support need to be developed.

2.2 Diversity of partners and realistic expectations

Hivos will take into account the diversity of its partners with regard to their capacity, stage of organisational development and context. One of the basic principles of the approach - to assess the progress partners make in relation to the achievement of their own objectives - allows for such differentiation and flexibility.

Small and starting organisations will not be 'judged' by the same standards as larger and more developed organisations with whom Hivos co-operates already for many years. Strengthening a result-oriented attitude in partner organisations is part of Hivos' purposes of capacity building and organisational development. In the course of the co-operation and consecutive contracts the expectations with regard to organisational quality of various kinds will increase, and rightfully so. If there was no increase of capacity and quality, the added value of (continued) Hivos' support should be questioned.

Both the proposals by partners and the expectations of Hivos should be realistic and feasible. Nobody is served with unrealistic planning, or with intentional 'underbidding'. This asks for a basis of trust and willingness from both sides to take risks. Trust of Hivos that partners engage themselves seriously in this process. Trust of partners to be frank about what they realistically can achieve and which uncertainties they face. Trust that Hivos will not discard partners lightly or mechanically when they have not been able to live up to (their own) expectations. A lot can be learned from things taking

another course than expected. Decisions on the continuation or ending of the co-operation with partners will always be taken on the basis of a range of considerations. Achievement of results have always been part of this, the new procedures do not change that.

2.3 Implications

Implications for design and planning

Thinking about results does not start at the end of the year, the end of an intervention or when an evaluation is planned, but from the very start of planning an intervention. The question what the organisation aims to achieve gives direction to and shapes the design of the programme. (For more specific information: ref. Part 4 Programme design and indicators).

Implications for reporting

The Annual Reports Hivos receives from its partner organisations are often very extensive. They provide a lot of information but are mostly of a rather descriptive and less analytical nature. The participants in the partner consultations confirmed Hivos' impression that Annual Reports are generally drafted for the sake of donors and don't play an important role in internal processes of reflection and learning.

One of Hivos' intentions with the new procedure is that Annual Reports will gain in quality and usefulness for both parties. The report should focus on an analysis of the most important results, related to the set of indicators agreed upon. The description of activities implemented by partners can then be less detailed. For Hivos, this will facilitate giving relevant and useful feedback to partners. Narrative reporting remains important: a description of results, or the lack of it, needs a justification and an explanation of why and how they occurred, who benefited and how the results have been assessed.

NB We all know that not everything can be planned for: there might be important results that were not foreseen. Don't leave them out of the Annual Report because we didn't include them in the agreement beforehand: that would be bureaucracy in its worst form!

Another issue to monitor critically from both sides is the (quality of the) indicators agreed upon at the time of the contract. The Annual Report should reflect upon their relevance and usefulness in practice. If they need adjustment or replacement this should be argued, and decided upon in consultation with Hivos.

Hivos' existing Guidelines for Annual reporting will be revised in line with the new procedure.

Occasionally, the concept of the Annual Report as such is put up for discussion: it is often experienced as a dull, unreadable document, reflecting only a tiny and very limited part of what happens in reality; the result of recycling old phrases and juggling (new) jargon.

There is a tension between the various ways people observe and communicate about changes they experience in their surroundings and how 'results' are worded by staff members sweating (and swearing?) behind their computers trying to keep a deadline. In the same vein, there is a qualitative difference between formal result information (activity reports, field reports, data sheets, etc.) and more informal result information. An example of the latter are the often anecdotal stories people tell of how an experience or an observation someone made, touched them as significant evidence of change. Hivos does not have a ready solution for this: we cannot simply do away with Annual Reports. But partners are invited to bring into their reports a bit more of that 'other' quality, to illustrate their formal data with meaningful stories and examples of signs of change, to experiment with forms of reporting that better capture the essence and dynamic of the work they are involved in.

Implications for evaluations and evaluation policy

A more result-oriented approach is expected to have positive consequences for the quality of evaluations. A growing capacity to plan for results and to collect and register result information more systematically over time, should lead to a greater availability of relevant data for evaluation purposes.

In addition to that, Hivos is in the process of reviewing its evaluation policy, aiming at a greater differentiation in evaluation for different purposes. Partner organisations will be informed in due time.

III Follow-up and support mechanisms

3.1 Virtual information

As from January 2005, reference documents and useful website links will be available to all partners at the Hivos Virtual Office at www.hivos.org.

In a later stage, a knowledge sharing platform/ website on result-oriented practices and result assessment will be realised. It will contain information and links on methods and tools, cases, good practice examples and possibilities for partners and Hivos to exchange experiences.

3.2 Capacity building

In the partner consultations the demand from partners for capacity building in the field of result orientation was high. Hivos will not organise training for all its partners, because that would jeopardise the principle that partners work out their own approach to result assessment. That includes choosing the type and content of training that suit their needs. What Hivos can do (and which is already practice) is financing internal or external training or participation in workshops. If partners feel they lack skills or knowledge in this field, they are advised to include a request for capacity building in their funding proposals.

NB Requests should be specific as to the needs of the organisation.
The extra attention for capacity building in this field does not imply that all applications will automatically be accepted.

Hivos intends to identify available expertise in the different regions, in order to facilitate the choice of partners and programme officers for suitable support, and to identify gaps. A first questionnaire to get a better picture of different needs for capacity building has been sent to a selection of partners.

As a follow-up to the regional partner consultations, in some countries follow-up meetings will be organised by Hivos in 2005.

3.3 Knowledge sharing and peer activities

During the partner consultations various ideas and initiatives for contacts and exchange between partners came up, especially between partners in the same sector. Partners are urged not to make themselves dependent on Hivos (or other donors) for input on the issue of result assessment and to actively take these initiatives further.