

Transparency for accountability: civil-society monitoring of Multilateral Development Bank anti-poverty projects

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Background

The multilateral development banks (MDBs) have significantly increased their lending for ‘targeted’ anti-poverty projects since the early 1990s, but few systematic, independent, field-based assessments of their effectiveness are available. In spite of much-improved civil-society monitoring of MDB environmental and macro-economic impact, field-based analysis of their anti-poverty lending has lagged behind.

Monitoring and evaluation (M&E) is necessary to provide feedback to decision-makers and stakeholders regarding what kinds of anti-poverty programme are successful and why. M&E is also necessary to hold policy-makers accountable for policies and programmes that do not work, and it is therefore an essential component of good governance. Yet billions of dollars of international development aid continue to flow without systematic M&E. While donor-agency policy-makers may believe that they know the destination and impact of their funds, without independent confirmation they are essentially relying on information that comes from interested parties, such as borrowing-government agencies, and donor-agency staff associated with the same programmes.

Institutions based in civil society could contribute to increased effectiveness of anti-poverty investments by generating reliable analysis of the distribution and impact of anti-poverty aid flows. Independent information and analysis is necessary but not sufficient, however. In order to have ‘pro-accountability impact’, this information must become public and reach key stakeholders — including both the ostensible beneficiaries and the donors.

A recent World Bank evaluation of its own portfolio underscores the serious issues at stake. As of late 1995:

... a reduction in the failure rate of completed Bank operations has proven elusive. Today, about a third of Bank-financed projects are rated as 'unsatisfactory' by OED [Operations Evaluation Department] upon completion. And the failure rate has been stuck at about this level for five years.¹

Since this assessment is based on the Bank's own data, which other OED studies of M&E have found to be open to serious question, it is probably an underestimate of the problem of effectiveness. Within the World Bank, the limited reliability of M&E information from operational staff has been clearly documented by the Bank's own evaluation department. The most comprehensive study of M&E within World Bank projects was carried out by OED in 1994; it found as follows:

It has been Bank policy since the mid 1970s to promote monitoring and evaluation (M&E) of project implementation ... the overall results of the 20-year M&E initiative have been disappointing ... the history of M&E in the Bank is characterised by non-compliance.²

The study found that projects planned little M&E: 'The 1989 [policy] called for effective M&E in all projects, but this mandate has been respected in less than half the projects where strong M&E should have been installed' (p. v). More M&E was planned in projects in the sectors of agriculture, education, health, population, and water supply than in other sectors, and these are mainly poverty-targeted sectors. But even where M&E was planned, performance was poor. These findings should not be surprising, since neither Bank operational staff nor borrowing-government agencies have any incentive to be monitored and evaluated — especially by others. This underscores the importance of encouraging other channels for M&E, 'independent of the mainstream bureaucracy but with access to it', according to OED.³ Yet the rest of the World Bank has not, so far, been able to create its own demand for evaluation, since management still does not encourage staff to build effective M&E components into projects. Therefore support and demand must come from outside MDBs and borrowing governments. Here, pro-accountability actors in civil society, in both donor countries and developing countries, share a common interest in greater transparency as a path towards greater accountability and more effective MDB anti-poverty investments.

Bringing in civil society

Independent and sustained M&E is part of the broader process of strengthening civil society's capacity to hold both governments and MDBs accountable for development-policy decisions. Strengthening accountability is easier said than done, however. Because of the vast diversity between and within regions, countries, and sectors, it is inappropriate to propose any single pre-designed M&E strategy. Effective approaches will need to be tailor-made for each policy area and socio-political environment. Nevertheless, civil-society M&E efforts do face some common challenges, including the following.

Learning from below

One of the main advantages of independent M&E initiatives is their capacity to cross-check official data with field evidence, and by speaking directly to ostensible beneficiaries.⁴ This is crucial for assessing the difference between the delivery of services on paper and in practice. For example, water pipes may have been installed, but that does not mean that safe water actually flows. Schools may be built, but lack teachers or books. Clinics may be open, but staff may be abusive or absent. This process involves surveying non-beneficiaries too, to find out which groups may have been excluded and why. Compared with other kinds of MDB-funded project, such as large infrastructure investments, anti-poverty projects are highly dispersed and therefore assessment is highly labour-intensive.

Building networks

Civil-society M&E efforts also face the challenge of building channels of communication with government and MDB officials. Without some degree of access to officials who design and implement policy, it is very difficult to compare the official claims of resource allocation with actual patterns and impact. In many countries, access to such information is largely discretionary. MDB information-disclosure policies, while much improved since 1994, do not cover the level of disaggregated data needed to monitor flows and impact on the ground. Access to policy-makers is also critical for developing effective strategies to feed M&E findings back into the policy process. Local and international supporters of independent M&E capacity-building face the challenge of creating the necessary political space and respect for autonomy *vis à vis* both governments and donor agencies. This process usually involves building *de facto* coalitions both

with pro-reform policy-makers (if any) and with pro-accountability stakeholders in civil society.

Producing reliable generalisations

Civil-society M&E efforts need to steer clear of sterile academic debates about M&E methodologies. For example, World Bank economists insist on the importance of comparing outcomes to a hypothetical counter-factual (what might have happened in the absence of the intervention).⁵ Sophisticated social-science debates focus on how to determine causes of impacts, but most are based on two flawed assumptions. First, they assume that the factual information about outcomes is reliable, which OED's studies of the World Bank M&E suggest is inappropriate. Second, they assume that sophisticated statistical techniques can add rigour to arguments which are based on hypothetical assumptions. The key challenge is to find out who is getting what, as quickly as possible. Reliable generalisations involve the following procedures:

■ *Specifying indicators clearly and over the whole policy-implementation process.* This includes indicators of policy 'inputs', such as the distribution of programme spending across localities or regions; indicators of policy decision-making processes (why resources were allocated where they were); indicators of 'outputs' (services actually delivered or investment actually made); and indicators of outcomes (such as whether incomes rose, health improved or local producers' organisations were strengthened).

■ *Monitoring representative samples of areas, communities, groups, or individuals ostensibly targeted by the project or programme.* Listening to beneficiaries is often dismissed as a qualitative exercise and therefore anecdotal, but listening to large numbers of representative beneficiaries produces data that can be aggregated, thus giving a wider perspective. Combining the advantages of both qualitative and quantitative methods is critical.

■ *Monitoring unplanned programme impacts.* Many development interventions have significant effects which were not considered among the original official goals. Indeed, the whole point of independent M&E is to discover what actually happened, whether or not it was 'supposed' to have happened. This includes both positive spill-over or multiplier effects, such as reinforcing poor people's organisations and voice, as well as negative 'externalities', or perverse institutional effects, such as the strengthening of local authoritarian bosses in the name of 'participatory decentralisation'.

Building credibility both above and below

Producing reliable data and analysis is not enough: results must also *appear* to be reliable. Independent M&E units face the challenge of constructing an image of credibility among a wide range of stakeholders, ranging from project ‘target groups’ to the media, other researchers, government policy-makers, and international donors. By contributing to a climate of constructive, informed public debate over development policy, and by promoting the principle of public accountability, civil-society M&E efforts can help to strengthen an enabling environment, within which representative organisations of low-income people can gain greater voice and leverage over the public sector.

Making findings public

Development agency files are filled with critical evaluations which made no impact because they remained confidential. M&E is likely to make a difference only if it can be used as a tool by actors who favour change, whether they be poor people’s organisations, or officials in government, or international agencies willing to challenge the vested interests that benefit from the *status quo*.

Civil-society M&E units face the challenge of promoting *two-way* information flows. From the bottom up, they need to channel their findings about the results on the ground to policy-makers and opinion-makers. From the top down, they need to disseminate information about what projects were supposed to do among their ostensible beneficiaries. By making public a project’s goals and targets, questions and claims from low-income citizens’ organisations can be legitimised. Moreover, if low-income groups learn that they were denied access to loans contracted in their name, they have more reason to support future independent monitoring efforts, and to use that information to influence the policy process to promote more effective investments and service delivery. In this context, promoting these two-way information flows in real time is crucial, so that the pro-accountability actions can be taken *before* project investments have been fully disbursed.

Institution-building

In some countries, or regions within countries, researchers may need additional training to develop the capacity for policy monitoring and analysis that both fits with local realities and meets international

standards. To have maximum pro-accountability impact, independent M&E needs to be systematic, timely, and rigorous. This involves significant capacities for field outreach and for analysis and dissemination. Independent M&E thus requires institutional capacity, though not necessarily large investments in infrastructure or overheads. The key resources are human: institution-building depends primarily on experienced field researchers, committed to the principle of public accountability, and willing to take the risks inherent in asking sensitive questions about how public funds are used.

Cost-effectiveness

Some sceptical MDB economists question the cost-effectiveness of investing in M&E, and the usual MDB practice of bringing in expensive international consultants to produce confidential reports is open to question. If a bottom-up, independent M&E effort is linked to pro-accountability strategies, however, then allocating a small proportion of an anti-poverty loan is likely to pay off. For example, assume that one per cent of a \$100 million rural health project is invested in independent M&E. Without informed debate in civil society, a significant fraction of the \$100 million is likely to be used inefficiently, or some large fraction of the services is likely to be of low quality. With the small investment in transparent M&E, those significant fractions can be reduced to small fractions, through civil-society debate which focuses on the bottlenecks and problem areas. In this kind of proactive, real-time investment-monitoring scenario, independent M&E pays for itself within the terms of the project — because fewer project funds are wasted. This is hardly a new concept, yet billions continue to be lent without the benefit of such a strategy of ‘effectiveness through accountability’.

In this scenario, questions about the cost-effectiveness of investing in independent M&E should address the famous ‘counter-factual’: what are the costs, in wasted resources, of *not* investing in independent M&E?

Concluding notes

Two different kinds of civil-society initiative stand out as important experiments.

In India, the NGO Public Affairs Center has pioneered the use of opinion surveys to find out which public services are more versus less effective. With a sophisticated combination of quantitative and qualitative research, the Center develops a clear ranking of public agencies, from most to least

effective and most to least responsive to their citizen-clients. The results are disseminated through the local and national media. While not focused specifically on MDB-funded projects, this strategy is highly relevant for the many public-service provision projects funded by MDBs, especially in urban areas.⁶

In Mexico, the NGO *Transparencia* focuses specifically on MDBs involved in rural poverty-related projects. It is developing the capacity to promote the kind of two-way information flows described above, providing timely and translated information about on-going and planned anti-poverty investments to representative grassroots organisations, while analysing and disseminating findings about the actual performance of anti-poverty projects.⁷

The Public Affairs Center focuses on civil society in terms of individual 'clients' of public services, and relies on the mass media to provoke the public debate necessary to turn information into pro-accountability public action. *Transparencia* adopts a more low-profile, coalition-building approach which is also part of a targeted pro-accountability strategy. It concentrates on building project-specific partnerships with grassroots organisations of the rural poor, sharing information, and advising them on different options in terms of how to approach both government and MDBs.

Both approaches focus on providing reliable and credible information to other actors in civil society. They are therefore not primarily advocacy organisations; instead they try to facilitate constructive participation by a wide range of civil-society actors in the policy process.

Civil-society M&E units will choose widely varying methodologies and strategies for influencing policy, and there is a great deal of room for experimentation and South-South learning. Before that can happen, however, private foundation funders and international donor agencies need to decide whether independent M&E capacity-building is a worthwhile investment.

Notes

1 Operations Evaluation Department, World Bank Report No. 13247, 30 June 'Process Review of the FY95 Annual Report on Portfolio Performance (ARPP),' Washington: World Bank, Report No. 15113, 22 November 1995.

2 Operations Evaluation Department, 'An Overview of Monitoring and Evaluation in the World Bank,' Washington: World Bank Report No. 15222, 29 December 1995, which found little change in terms of management support.

3 Operations Evaluation Department, 'Building evaluation capacity,' *Lessons and Practices*, World Bank, November 1994, p. 2. Here OED claims to support the building of evaluation capacity, but recognises that its record has been 'mixed' (p. 3).

4 A few World Bank analysts promote 'beneficiary assessments,' but they are marginal to most projects. See for example, Lawrence Salmen, 'The listening dimension of evaluation' in Operations Evaluation Department, *Evaluation and Development: Proceedings of the 1994 World Bank Conference*, Washington: World Bank, 1995. Most recently, see Deepa Narayan and David Nyamwaya, 'Learning from the Poor: A Participatory Poverty Assessment in Kenya', Environment Department Papers, No. 034, World Bank, May 1996. Partnerships between NGOs, the World Bank, and governments for the purposes of evaluation are just beginning to emerge. Overall, NGO collaboration was involved in 41 per cent of projects approved in FY 1995. Within this group, approximately 20 per cent involved some NGO role in evaluation (Operations Policy Group, 'Co-operation Between the World Bank and NGOs: FY 1995 Progress Report', March 1995 draft, p. 5). However, these NGO evaluations could have been confined to very small subsets of project activities. For discussions

of monitoring participation, see Norman Uphoff, 'Monitoring and evaluating popular participation in World Bank-assisted projects,' and Christopher Ward, 'Monitoring and evaluation,' both in Bhuvan Bhatnagar and Aubrey Williams, eds., *Participatory Development and the World Bank*, Washington: World Bank Discussion Paper, No. 183, 1992.

5 See, for example, Lyn Squire, 'Evaluating the effectiveness of poverty alleviation programmes', in Operations Evaluation Department, *Evaluation and Development: Proceedings of the 1994 World Bank Conference*, Washington: World Bank, 1995.

6 See Samuel Paul, 'Evaluating public services: a case study on Bangalore, India,' in Operations Evaluation Department, *Evaluation and Development: Proceedings of the 1994 World Bank Conference*, Washington: World Bank, 1995.

7 For one such study, see Jonathan Fox and Josefina Aranda, *Decentralisation and Rural Development in Mexico: Community Participation in Oaxaca's Municipal Funds Programme*, La Jolla: University of California, San Diego, Center for US-Mexican Studies, Monograph Series 42, 1996. For more recent Spanish-language reports, contact *Transparencia* at Avenida de los Maestros 91-8, Colonia Santo Tomas, CP 11340 Mexico, DF, +(52 5) 341-3184. <http://www.laneta.apc.org/transparencia/>

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