

2009 SESSION REPORT

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Measuring development impact: Lessons learned in the fight against poverty

Moderator: Daniel Runde, International Finance Corporation

Speakers: Kamal Siblini, International Finance Corporation; Peter W. Heller, CANOPUS Foundation; Ivan Vejvoda, The German Marshall Fund of the US

Session proposed by: International Finance Corporation (IFC)

Introduction

Foundations and multilateral organisations operate differently, yet share common development interests such as poverty reduction, fighting disease, climate change, and attaining the Millennium Development Goals (MDGs). One key area that both foundations and multilateral organisations are increasingly grappling with is how to effectively monitor and evaluate the impact of their development work. Foundations and multilateral organisations are increasingly being pressured to achieve more impact, and are being asked to demand from their grantees more effective ways of measuring this impact. The field is relatively new, development impact is notoriously difficult to measure, and not all techniques have worked effectively. This session was aimed at examining whether consistent impact measurement approaches can be developed, and how they can be adapted to provide information specific to the needs of their own organisations.

The moderator, Mr. Daniel Runde, Head of Partnership Development at the International Finance Corporation (IFC), the private sector arm of the World Bank, set the scene of the session by stressing that the issue of monitoring and evaluating development work in this period of financial crisis when there are even less resources available has become even more important. Mr. Runde then introduced the panelists.

Mr. Kamal Siblini, Senior Monitoring and Evaluation Officer with IFC provided the audience with a clear overview of what IFC is doing in the area of monitoring and evaluating their work. He also mentioned some of the challenges and opportunities in this area. Because of the importance of monitoring and evaluating their impact, IFC created a more robust framework to measure the results of their projects and developed a set of standard indicators that they now use for all of their projects and products. Using this set of common indicators (= core mandatory indicators) has made not only the reporting easier but also keeps IFC focused on the initial purpose of the project. Monitoring and evaluating is something that needs to happen at all stages of development in the project. Once a project is finalized, IFC focuses on three main things: monitoring; evaluating (by comparing); and sharing the knowledge. In addition to these, IFC also established a monitoring and evaluation network, which looks at issues such as mapping core indicators to the MDGs; setting better targets etc... Within IFC, monitoring and evaluating of the projects is seen as an ongoing process which can and should be adapted and improved at all times and all levels. As a conclusion he mentioned that the function of monitoring shouldn't be a simple reporting function, but a function where one can learn from and feed it back in our strategies.

Mr. Peter W. Heller, Executive Director of the CANOPUS Foundation, provided the audience with the perspective of a small venture philanthropy foundation. Mr. Heller started his presentation by introducing his own foundation which was established in 1997 as a small private family foundation with a strong entrepreneurial background. One important question that was

raised at the early stages of the foundation's development was the added value of the Foundation to society. They came to the following two conclusions:

- 1/ the Foundation had to add a component which goes beyond the grantmaking and provide hands-on business development assistance; and secondly,
- 2/ they concluded that with this strong entrepreneurial drive, they wanted to work as venture philanthropists.

The 8 projects that the foundation has been running and supporting so far are all in the area of renewable energy and village development; areas in which the founders of CANOPUS Foundation have a lot of expertise. So the question the foundation raised was: how does a small private venture philanthropist measure its impact? They immediately came to the conclusion that the people they are working with, social entrepreneurs, who do not have the time to sit down and write up proposals and reports, therefore, obtaining data and reports would be rather difficult. One of the solutions introduced was to build reporting into the business assistance package so that it is the CANOPUS Foundation itself that looks for and provides the quantitative data. Mr. Heller stressed that they had come to the conclusion that they would collect data wherever they could, and that they would try to measure in quantitative and qualitative terms whenever possible but that the most important of all is that they know that they are working with committed people who are extremely serious about what they are doing. That is how the CANOPUS Foundation measures and evaluates its impact. Finally, Mr. Heller also mentioned his experience in partnership with larger institutions. He provided the example of the "a solar world for all" project in which several foundations and institutions plan to set up a Solar Investment Fund which aims to electrify a million households a year in developing countries. This project will have a very tangible and visible impact.

Finally, the last speaker, Mr. Ivan Vejvoda, Executive Director of the Balkan Trust for Democracy, shared his foundation's work in the area of monitoring and evaluating impact. He started off by saying that it is not always easy to measure impact and that it can take a long time before one sees or notices impact. His foundation spends 4 million USD a year on small grants to promote democracy in the Balkan region. Although the field of human affairs is difficult one to measure, one of the advantages is that the Foundation's staff live in societies which allow them to "visually" measure the developments and impacts of their work. They see the society they live in and work in change. Mr. Vejvoda said that the Balkan Trust has established a monitoring and evaluation procedure which they apply to all their projects. The Trust itself also undergoes regular evaluations and sees these as a means to identify problems and focus on management challenges. He also stressed that the grantees are their key source to get data, both quantitative and qualitative and that they find it important to share the evaluations and make them available to the public. He also mentioned that some projects are easier to measure than others; it is for example easier to measure a grant given to a think-tank doing advocacy work, rather than a reconciliation project where the impact takes much longer. In conclusion, he mentioned one more way of measuring impact, which is specific to the Trust's geographical focus: seeing the 10 countries in which they are active slowly moving forward to the European Union. The Trust is a part of the process of these societies advancing and moving forward.

The session was concluded with a lively question and answer session during which the audience commented on the issues raised by the speakers. As a final conclusion:

- Data is important but not mandatory
- There are various ways to share the knowledge of evaluation and measuring impact and building capacity

Evaluation and monitoring impact has become an important part of the foundations and multilaterals daily work.