Evaluation_Issue_Brief_Cover.qxd 8/7/2003 2:37 PM Page 1

NFG

One Dupont Circle NW, Suite 700
Washington, DC 20036
Phone: (202) 833-4690
Fax: (202) 833-4694
www.nfg.org

NEIGHBORHOOD FUNDERS GROUP

Grantmakers Supporting Community Change

NFG

NEIGHBORHOOD FUNDERS GROUP

Grantmakers Supporting Community Change

Evaluation: The Good News for Funders

By Andrew Mott

The Committee wishes to thank our colleague reviewers, George McCarthy, Program Officer, The Ford Foundation and Kathleen Enright, Executive Director, Grantmakers for Effective Organizations.

Mission

Neighborhood Funders Group is a membership association of grantmaking institutions. Our mission is to strengthen the capacity of organized philanthropy to understand and support community-based efforts to organize and improve the economic and social fabric of low-income urban neighborhoods and rural communities. We provide information, learning opportunities, and other professional develoment activities to our national membership, and encourage the support of policies and practices that advance economic and social justice.

Issue Briefs

Periodic NFG Issue Briefs will examine emerging issues and strategies of concern to funders working to expand support of efforts to strengthen rural and urban communities. We appreciate the support of the F.B. Heron Foundation for this publication.

Author

Andrew Mott directs the Community Learning Project, an initiative designed to foster learning in the field of community and social change. Formerly Executive Director of the Center for Community Change, he has worked with grassroots community groups for over 35 years, assisting them with their organizational development and their work on housing and neighborhood revitalization. He has also worked extensively on national policy issues, chairing several national coalitions and overseeing projects which have involved grassroots groups in participatory research and action on those issues.

Staff

Spence Limbocker, *Executive Director*
Bettye Brentley, *Associate Director*
Malena Malone, *Operations and Membership Manager*

This and other publications may be ordered or downloaded from the Neighborhood Funders Group Web site at www.nfg.org.

Evaluation: The Good News for Funders

by
Andrew Mott

July 2003

Table of Contents

Executive Summary

Program evaluation continues to be one of the most challenging aspects of the grantmaking process. While there are many approaches to evaluation, this publication focuses on participatory approaches. Given the decrease of funding and increased focus on accountability, funders are under increasing pressure to demonstrate that they are using their dollars strategically.

Funders have different priorities as they approach evaluation. Some are concerned with assessment, others are committed to using evaluation as a learning tool, while still others see capacity-building as central to their mission. Whatever the focus, a participatory approach can help funders achieve their goals. A well-planned, inclusive process can build knowledge among the grantees, the grantmaking institution and the broader field.

An evaluation that adds the perspectives of the primary stakeholders in the grant's success - the beneficiaries - gives the funder vital information concerning the extent to which the grant is meeting its goals. By including the beneficiaries in the process it enables them to identify problems within the program and to provide potential solutions to these challenges.

The information and resources contained in this publication have been provided to assist you in selecting an evaluation process that will help you achieve your goals. The tools and strategies suggested have allowed many foundations across the country to increase the impact of their grantmaking and improve relationships between grantors and grantees.

Introduction

It's easy for funders to be befuddled by evaluation. The evaluation world seems so complicated, filled with jargon and so many different approaches - about 100 by one count - and so many schools of thought.

In deciding how to approach evaluation, the first and most important step is to clarify exactly what you're trying to accomplish. What do you need? What's your main goal in evaluating grants your foundation has made? How do you intend to use the results of the evaluation?

- **Tracking and assessing performance**: Are you trying to find out whether the grantee did what it promised? Is your fundamental goal holding the grantee accountable and being able to measure the extent to which it achieved the goals set in its proposal?
- **Learning**: Are you trying to learn general lessons from the grant, lessons that you can apply in future grant-giving or that may be useful to other funders, policy-makers and the field in general?
- **Building capacity**: Perhaps your main goal is capacity-building - helping nonprofits learn and build the increasing capacity and power they need to achieve their goals. Is your priority on strengthening your grantees so they can make greater contributions?

Different funders have different priorities. The key? **Clarify what you want to achieve!** And then design an evaluation that doesn't try to do too many things at once. If you're not crystal clear about what you need, the evaluation may bog down in complexity or fail to produce the results you want.

Participation: The Key to Improving Evaluation

However you intend to use the evaluation, you will probably gain by stressing participatory techniques that involve the grantee and the beneficiaries at key points.

"Participatory" approaches to evaluation come in many flavors, with great variations in their approach, their goals, who participates, and

In my experience, foundation people are experts on taking charge of their own learning.

- *We know who to call to find something out.*
- *We know what to read to learn about the background of a current issue.*
- *We know how to listen to the people we meet during site visits.*
- *We know how to dig up information that's not included in a grant proposal or a financial statement.*
- *We know how to get information fast, and we know what we can and can't learn from quick-and-dirty information.*
- *We know when we don't understand a complex problem, and which aspects of the problem we need to spend more time exploring. And we know how to keep exploring issues we don't fully understand.*
- *We know how to question an explanation we're given, so we can unpack it and probe deeply into the causes.*
- *We know how to consider and compare conflicting positions and perspectives, to sort out what they agree on and what they disagree on….*

-"Common Sense and Assessment", by Edward Pauly, Director of Evaluation, Wallace-Readers' Digest Funds

You know more than you think you do…. Don't be afraid to trust your own common sense.

The words "evaluation" and "assessment" are technical words. For most people, they sound foreign, uncomfortable, and somehow dislocating…. So my advice is, Don't use those words. Instead, use the word "learning." Learning is something we do all the time. It's not the exclusive property of evaluators! Each one of us already knows a great deal about how we learn. Each one of us knows what to do when we want to learn something new….

My point is that learning is something that we already do all the time…. And fundamentally, ***it's not technical.*** *It's part of what you already know and what you do well.*

-"Common Sense and Assessment", by Edward Pauly, Director of Evaluation, Wallace-Readers' Digest Funds

how deep their involvement really is.

The extent of participation varies greatly. Some call evaluation "participatory" when the approach includes interviews with the grantees or focus groups with the beneficiaries. Others go much further, involving grantees and beneficiaries in every element of the evaluation, from design, to choosing the standards and indicators, to conducting the evaluation and developing conclusions and recommendations. Their goals are to create a strong learning partnership between the funder and the grantee and helping the grantee build its capacity.

There are also variations concerning **who** participates. Some participatory evaluation limits participation to the **grantee** organization, involving its staff in documenting their achievements and reflecting on their work. Others reach out further to learn from the grant's intended **beneficiaries**. This adds a critically important viewpoint - the people who are being organized or receiving services or assistance, the people who know best whether the organization is actually producing the intended benefits.

Because of these great variations, **"participatory evaluation" should be seen as a broad spectrum of approaches, each of which includes some measure of participation by at least the grantee, but which vary from limited consultation to full learning partnerships involving the grantor, the grantee and the beneficiaries.**

Participatory approaches have a particular appeal for funders of neighborhood projects and community organizations. Funders know that strong community participation helps in designing and carrying out programs: it helps ensure grantees meet local needs, have strong local backing and outreach, and develop experience, skills and leadership in the community. Neighborhood funders also feel pressure from their grantees who want to be involved in decisions about how they're evaluated so that the assessments are fair and useful to them.

It thus is not a big step for funders to see potential in seeking similar grassroots participation in assessing those programs and the groups which operate them.

Whatever the evaluation's primary objective - a judgment about progress, learning and knowledge-building, or building the grantee's capacity and power to do the work - participatory approaches can greatly enhance the quality and usefulness of the assessment.

However, participatory evaluations aren't the answer for every situation. They have their limitations as well as strengths. They may have to be supplemented with other sources of information to provide a mix of qualitative and quantitative data, or an outsider's distance and perspective may be crucial, or other reasons may convince a funder to go beyond a participatory approach to use other techniques.

Making Evaluations Useful

While their methodologies vary widely, most foundations apply a **"logic model"** to evaluation. Grantees are asked to specify in their proposals what measurable outcomes they expect, and their performance is then tracked on that basis. The emphasis is on accountability, stressing predictable results and then quantifying performance to test whether the grantee has met its commitments to the funder. Objectivity, distance between the evaluator and the grantee, and social science research methodologies traditionally are central elements in this approach.

The potential strengths of this approach to assessment are clear. It often relies on disinterested parties to do the evaluation. These parties seek baseline data, objective indicators and data sources to measure performance, and their research takes the long view and is designed to avoid influencing or "distorting" the grantee's performance.

While this approach may help funders track performance, it is under assault from many directions including many funders. This criticism has led to a number of major developments in the evaluation field, and to an increasing interest in participatory approaches that involve the grantee in the assessment.

Three key trends in evaluation set the stage for growing support for participatory approaches to assessment.

First, "do no harm": Some nonprofit leaders refer to evaluation as "the e-word" because they have seen the dangers of some evaluations. In the words of one foundation's director of evaluation, "I've seen many evaluations ruin good grantees' reputations and their ability to raise money." The result -- an increasing number of funders are seeking ways to avoid injuring their grantees as they assess them.

Second, make sure the evaluation is useful and likely to be used: Many foundations have been influenced by Michael Quinn Patton and others who argue that funders must give much greater thought to an evaluation's purpose before they answer basic design questions. Proponents of "utilization-focused evaluations" point out that few evaluations are actually used for major decisions or action. Most evaluations gather dust on shelves because no one gave sufficient thought to such issues as:

- What is the evaluation's real purpose?
- Who will use it and how?
- What do they need and how can they get it?

Third, design evaluations that help improve performance: An increasing number of grantees and funders are asking for "formative" evaluations to inform them on an ongoing basis about what is going well, what isn't, and how the program can be strengthened.

"There are many shortcomings in all assessment methodologies which are often conveniently ignored, seriously undermining their credibility and usefulness. This is the case even with high cost comparative quantitative assessment exercises. Changing to a focus on sustainable and participatory learning has the potential to considerably increase the reliability and usefulness of assessment findings as well as decreasing the long-term costs."

- Linda Mayoux, "Empowering Enquiry: A New Approach to Investigation"

Some evaluators fight this trend, arguing their evaluation's purity will be weakened if the nonprofit gets feedback and uses it to improve its program. Nevertheless, a growing number of funders see their main obligation as ensuring their funds are used as effectively as possible, and most grantees want ongoing feedback so they can keep improving their work, updating their plans and demonstrating their impact. Furthermore, some funders are seriously committed to "walking the talk", being rigorous in using the evaluation results to assess and improve their own practice. They therefore want direct and prompt feedback so they can keep improving their performance as funders.

Participatory evaluations (PE) build on these trends. Typically they are designed to do no harm, be useful and used, and be formative.

"A useful evaluation is one that begins with a focused evaluation design, provides recommendations for program improvement, documents success, and contributes to an agency's planning effort."

- "Program Evaluation Practice in the Nonprofit Sector", a survey for the Nonprofit Sector Research Fund by Innovation Network, Inc.

PE reduces the danger evaluations will do harm, as it creates at least some level of dialogue between the funder and the grantee about the evaluation. In some cases this consultation is minimal, but in others it involves serious discussion of what is to be evaluated and how. It thus creates space for a grantee to point out any potential dangers it sees from the evaluation design.

It helps evaluators gain cooperation from grantees. Nonprofits often see evaluation as an adversarial process in which funders are looking for weaknesses or judging them by arbitrary, top-down standards. Grantees, naturally, are far more invested in evaluations when they help decide what aspects of their work should be assessed. This investment deepens when grantees participate directly in conducting the assessment. This greater collaboration helps evaluators gain access to the information they need.

The evaluation is far more likely to be used and to result in decisions and actions if the grantee is fully involved in the assessment. Participation helps the group's staff and board gain knowledge and insights that they can apply to increase their effectiveness and impact. And collaboration on evaluation often leads to agreement between funders and grantees on how they can work together to strengthen the program.

The Fundamental Question: What is the Goal?

In designing an evaluation, the starting point is defining what you need most:

1. Tracking and documentation that the grantee has met its goals?
2. Learning from the grant? Or
3. A strategy for building capacity for the grantee?

All of these are legitimate goals for a foundation, but they differ greatly, and they require very different approaches to evaluation. They also require different levels of participation.

1. Tracking and documenting performance

Many funders have one central goal for their evaluations - they want to track the grantee's performance as accurately as possible. They apply the logic model and measure performance against the goals set in the proposal. They may use this measurement to decide whether to renew a grant or continue supporting a particular approach, or simply to keep their top leadership informed about performance under their grants.

This approach works particularly well in measuring the impact of projects that lend themselves to quantitative measurement (e.g. thirty children to be enrolled in day care or seventy-five houses to be rehabbed). On those projects, the funder may want the rigor of uniform statistics showing performance on its grants at multiple sites, or comparing the measurable goals that their grantees set with their actual performance.

This careful measurement is often at least as important for the nonprofit's managers and boards as for their funders. They need that information so they can:

- Know whether they are achieving what they set out to do;
- Monitor their own staff's performance;
- Have a basis for comparing which activities have the biggest pay-off; and
- Prove their impact to their funders and other supporters.

In these economic times, with tough competition for scarce resources, community groups know that it is even more important to be able to demonstrate good management and substantial impact.

In any case, grantees want to be involved in decisions about what is assessed and how.

They also want to be able to adjust their goals when opportunities for impact change. Grantees work in a complex world, full of many variables, uncertainties and surprises. There may be major shifts in the economy, politics, or the issue area a grantee is addressing; other funding may fall through or expand unexpectedly; or there may be surprising shifts in personnel or in partner institutions that change prospects substantially. These new circumstances may make the original goals too ambitious, or not ambitious enough, or out-of-date because there's such an exciting new opportunity that the organization should deemphasize its current work and refocus its energies.

The nonprofit also may want to supplement the quantitative data with interviews, focus groups or other qualitative research to bring out the stories and analyses that will provide them with helpful insights into **how** something was done or **why** something succeeded or failed as they make important decisions for the future.

Grantee participation in the evaluation helps funders track and assess progress.

"The inclusive approach of PE can reveal valuable lessons and improve accountability…. By broadening involvement in identifying and analyzing change, a clear picture can be gained of what is really happening on the ground."

- Irene Guijt and John Gaventa, 1998

It helps a funder avoid doing harm. An evaluation can do great harm if it focuses on what can be counted and not what is most significant. It can be particularly damaging to a group working creatively on many fronts, building a constituency, developing leaders, taking on increasingly sophisticated issues, but not concentrating much on projects for which it is easy to develop predictable, measurable goals. An evaluation can divert a group from its goals, drain valuable time away from the most essential work, or lead unfairly to "poor" results and defunding.

It helps the evaluation focus on the right questions by enabling the funder to draw from its grantees' expertise and in-depth knowledge of the work as the funder clarifies exactly what it wants to learn from the evaluation. In a recent survey of almost 200 grantees for the Nonprofit Sector Research Fund, a great majority reported that they found heavy stakeholder involvement led to the development of more relevant questions - the right questions being asked in the right way.

It helps identify appropriate outcome measures and indicators. The people closest to the work know what is most important to measure and examine. Grantees are adamant that they should have a major role in deciding what indicators would most fairly and reliably measure their performance. They are highly critical of funders that set measures without involving them. For this reason some grassroots leaders have devoted very substantial time to developing indicators that they feel provide a fair basis for understanding and assessing their work (see Appendix A for descriptions of the Success Measures Project for community development corporations, and the Indicators Project for Education Organizing).

It helps ground the evaluation in the realities which the grantee faces by allowing the nonprofit to specify what it wants from the evaluation, and to familiarize the evaluator with the local context, the organization's goals, its assessment of obstacles and opportunities, the pressures and the politics it faces, and any other factors the nonprofit wants the evaluation design to take into account.

It enables the evaluator to gain access to the grantee's knowledge, experience and views on key questions. Since grantees are closer than anyone else to the day-to-day operations, their perspective can bring essential data and insights to the review.

Can participatory evaluation be "objective", or is it inevitably biased because of the participation of the grantee that has an interest in a favorable assessment? The question is not so much **who** does the evaluation as **how** they do it. Studies show that a participatory process which uses rigorous assessment methods and makes biases explicit can produce valid and credible results. Furthermore, involving the grantee and beneficiaries can contribute greatly to the relevance of the questions and the insight of the analysis.

There's life beyond the numbers.

Counting can miss the point: The most easily measured indicators of progress may not be informative on the central questions about which the funder and grantee want to learn. Is the grantee working on the most important issues? Does its strategy show promise of increasing its impact over time? Is the nonprofit growing in sophistication and power? What is it learning and how well is it applying this knowledge?

These extremely important issues of power, knowledge and capacity are easily neglected when an evaluation concentrates solely on what can be predicted and then counted. At best, this shortchanges many of the group's major accomplishments; at worst, it can encourage a group to redirect its energies away from its most significant work to activities which are easy to count and report.

Many grantees are too complex to assess with strictly quantitative measures: Community groups typically work on several issues at once, responding to their constituency and the opportunities and threats that emerge unexpectedly. A community development corporation may rehab homes, press unscrupulous landlords to sell to better owners, advocate for new city policies on vacant land and buildings, push for capital improvements and code enforcement, attack predatory lending, and work on a host of non-housing issues as well.

This versatility and responsiveness is crucial to their effectiveness and community support. Tracking only one or two aspects of a group's work may do the group a great disservice by missing its

"We live in a culture that is crazy about numbers…. We increasingly depend upon numbers to gage how we are doing on virtually everything….

"We'd like you to consider this question: What are the problems in organizations for which we assume measures are the solution?

"Presumably most managers want reliable, high quality work. They want commitment, focus, teamwork, learning and quality. They want people to pay attention to those things that contribute to performance.

"If you agree that these are the general attributes and behaviors you are seeking, we wonder whether, in your experience, you have been able to find measures that sustain these strong and important behaviors over time. Or if you haven't succeeded in finding them yet, are you still hopeful that you will find the right measures?"

- Nonprofit Quarterly, Fall/Winter 1998, by Margaret Wheatley and Myron Keller-Rogers, consultants to business and US Department of the Army

richness and constant evolution. It also may prevent funders from learning from this experience. They need qualitative information with texture, judgment and nuance on such all-important issues as whether the community is building capacity, achieving a major shift in power, or building momentum toward a more fundamental neighborhood change.

Traditional evaluation seldom fits the needs of private foundations and nonprofits: Private philanthropy's central role is to fund innovation. Foundation grantees need flexibility so they can be highly creative as they face tough problems in a constantly changing environment. They need to keep testing new approaches and to have an opportunity to reflect, learn, and adapt to changing circumstances. And their funders need access to rich information about what's working, what isn't, and why, so they can strengthen their giving program and increase their impact. Quantitative data on performance based on a static set of expectations is simply inadequate to surface this information.

For all these reasons, foundations continue to search for other approaches to evaluation, either to substitute for the logic model, or to supplement it with other techniques which will be more helpful to them and/or their grantees. Some evaluations strive for a balance, a participatory evaluation which heavily depends upon the grantee's input and views, balanced by other evaluative techniques which are more quantitative, or influenced by outside assessments, or based on comparing the program to other similar programs. Some mix the detail, accountability and credibility of numbers with the qualitative information which helps them interpret and add meaning to the numbers.

2. Learning: Grantor and Grantee

An increasing number of funders are more concerned about learning than about judging.

They don't want a score card. Instead they want to use evaluation to foster learning by the foundation, the grantee, or the field as a whole so that practice gradually improves and their impact increases.

Some are particularly interested in reorienting "evaluation" so that it helps their foundations become learning organizations that constantly build knowledge and strengthen their planning and their giving program.

These foundations typically define one or more program areas like health care reform, educational reform or sectoral economic development on which they want to have a growing impact over time. They develop specialized knowledge regarding staff and design giving programs to support key organizations that do path-finding work in those areas. In addition, they develop a learning plan which frequently includes opportunities for peer learning and exchange, as well as an evaluation which is geared to draw lessons from their grantees' experience. The goal of this combination of activities is to help build the field of knowledge and action.

One group of funders that is concerned about becoming learning organizations is the increasing number of foundations that are creating their own "initiatives" and then funding several nonprofits to implement those initiatives in their own communities.

As they reduce their responsive grant-making and instead design their own initiatives, these funders play a very strong role. Whether their initiatives are broad and "comprehensive" or more narrowly focused on a particular area like microenterprise development, these funders are intimately involved in key decisions on program design and implementation. They study the field, consider alternative approaches, design the initiative, seek grantees to implement the initiative on the ground, and then fund and support those grantees. They set timetables, track performance, and stay heavily involved to ensure grantees stay on course. In short, they behave very much like operating foundations with their own projects.

Foundations which operate their own initiatives are quite naturally heavily invested in learning from the ongoing work. Because they are so closely identified with these initiatives, they are strongly motivated to make them successful. It is in their best interest to be regularly informed about these initiatives so they can address problems and make course corrections as needed. They thus are motivated to develop close working relationships with their grantees and their evaluators to maximize their access to information.

Foundations that focus heavily on their own initiatives or on having an impact on a few issues benefit greatly from stressing collaboration and communication with their grantees, an emphasis which requires some measure of power-sharing between the parties, especially regarding design of the evaluation. This emphasis on useful learning leads naturally to participatory approaches to planning.

This emphasis also requires that the funder think carefully about the following questions before it designs the evaluation:

- If learning is the goal, who is to be the principal beneficiary of the learning - the funder or the grantee?
- Is it most essential to help the funder learn lessons from its grantees' experience so it can apply those lessons as it decides on particular grants or the foundation's future priorities and program?
- Or should the emphasis be on helping grantees learn what is most useful to them?

Learning can be advanced dramatically if the grantee, the beneficiaries, other stakeholders and the funder come together to discuss the grant, its impact, and what changes would increase its value. Such discussions also can set the stage for stakeholders to use the evaluation results to move ahead on the issues.

Two other important points: first, many foundations have severe internal challenges and obstacles to learning, which should be taken into account when evaluations are designed. These constraints include

"When foundation boards do become interested in evaluation, it is often because they expect it to be a 'silver bullet' that will deliver unambiguous answers about the effectiveness of particular grants or broader initiatives. This interest in seeing clear-cut results via the evaluation process 'now' reflects a naïveté about social change processes and the role of evaluation. The fact is that programs often take considerably more time to demonstrate results (whether positive or otherwise) than a given grant making strategy assumes (or the organization's culture allows).... This exclusive focus on evaluation of long-term outcomes (although results are often sought on a short-term timetable!) misses how formative evaluation can help a foundation put the building blocks of a more effective strategy in place."

- Ricardo Millett, William E. Bickel, and Catherine Awsumb Nelson

everything from the "pressure to get money out the door" and staff overloads, to nervousness about board or top management reactions to "failures", to program officers' roles as advocates for particular issues or grantees, to competition among program areas for the foundation's finite funds. These obstacles need to be taken into account as the evaluation is designed.

Second, many foundations fund innovation, and innovation is, by definition, risky and unpredictable. It involves repeated trial and error Evaluations of innovation must take this into account and make sure reporting and assessment requirements don't discourage anything innovative or engender a bias towards less risky short-term activities.

3. Capacity-building

Many funders are finding it essential to concentrate on strengthening their grantees organizationally and programmatically. They recognize that their own success depends upon their grantees' success, and that they should therefore invest in those organizations' capacity to succeed.

In many cases, evaluation's greatest contribution is to capacity-building. Evaluations which build the grantee's knowledge and effectiveness and increase its impact can greatly benefit the nonprofit, the community, and funders which are committed to seeing substantial progress at the community or policy level.

Evaluations can make two enormous contributions to nonprofit capacity-building.

First, evaluations can provide grantees with vital **feedback and learning** for their own internal use. Board members and managers of any nonprofit are anxious to have help assessing how they can strengthen their program and organization. They need feedback on weaknesses and mistakes so they can take corrective action.

However, grantees seldom have the resources and assistance they need to monitor and assess their work fully. Foundation-supported evaluations can provide grantees with that kind of feedback. This requires, however, that the assessments tackle the questions and use the approaches which are best suited to developing the information and insights which grantees need.

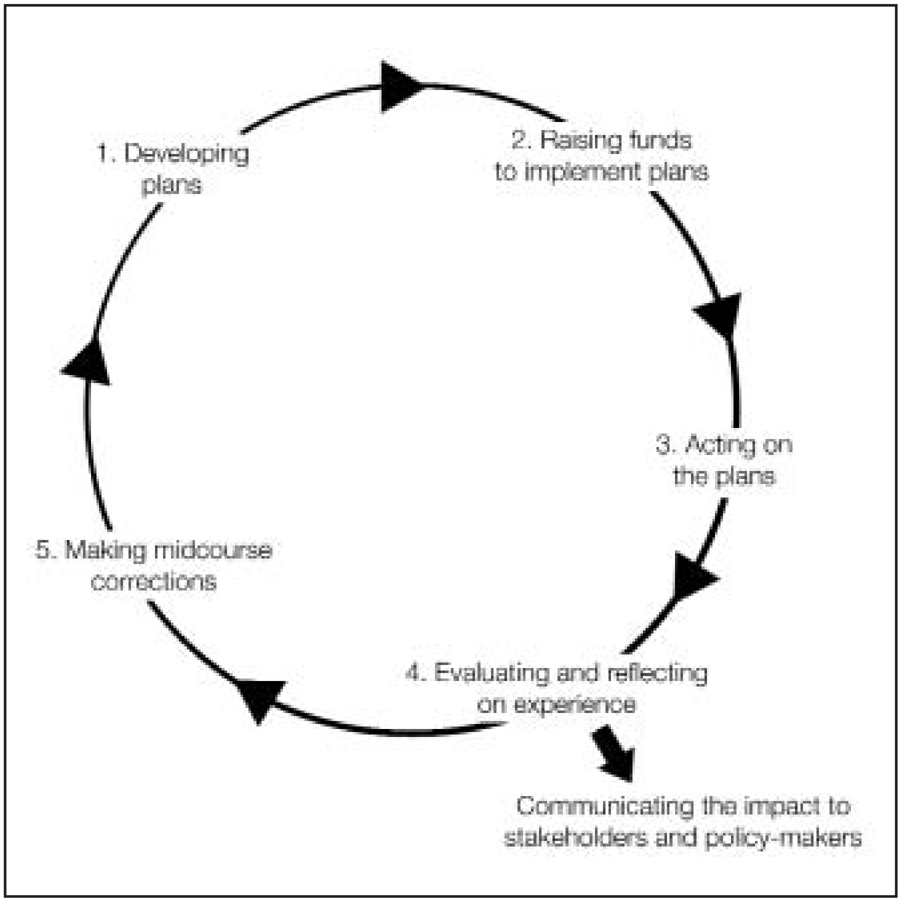
Second, some funders want to use evaluation for long-term **capacity-building**, helping their grantees become more effective "learning organizations" with greater skills in "reflective practice". Groups can be strengthened significantly if they have an opportunity to work with both their funders and outside assistance to design a helpful reflection and learning process. This works best if the evaluation builds upon or strengthens, rather than ignores or undercuts, the ways the organization already learns and plans.

With this approach of embedding the organization with learning, evaluation becomes an integral part of organizational development rather than just an add-on. The learning process is designed specifically to take the organization to a new level of sophistication in its ongoing cycle of organizational improvement:

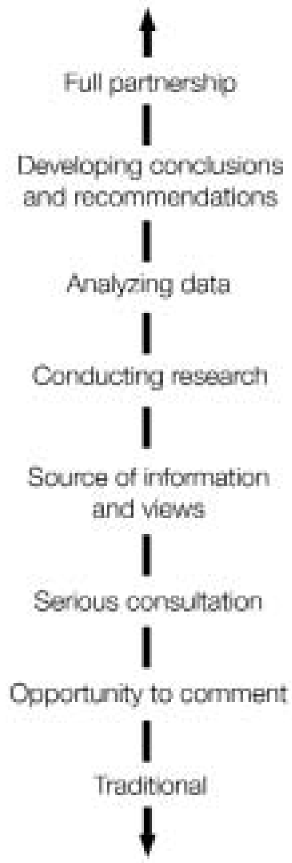
- Developing plans
- Raising funds to implement the plans
- Acting on the plans
- Evaluating and reflecting on experience and drawing lessons from it
- Making midcourse corrections
- Changing longer-term plans to increase their success and impact
- Communicating the impact to stakeholders and policy-makers

To maximize its organizational development impact, evaluation can be integrated into a broader program of technical assistance including strategic planning, management, fundraising and capacity-building help. This may be provided by a support organization, consultant, or peer support system which the grantee chooses. It can greatly enhance the organization's capacity to learn and be creative, enabling the group to reflect on its experience, learn about new ideas and approaches, and adapt its work on the basis of what it learns. It is a key part of strengthening internal management and accountability as well as demonstrating the organization's impact to funders and the community.

There are, in fact, great similarities in the skills and approaches of participatory evaluators and organizational development specialists. Both help groups assess how well they are doing and focus on helping the groups with the means to strengthen their organizations and deepen their impact.



How Much Participation Makes Sense?



The Levels of Involvement

Whether your main goal is tracking and documenting progress, learning, or capacity-building, you will have better results if you involve the grantee. But how much participation do you want and need?

Over thirty years ago Sherry Arnstein developed her famous ladder of citizen participation. It illustrated and analyzed eight different levels of participation, from lip-service to actual community control. A similar ladder can illustrate the many different levels of participation which may be involved in evaluating neighborhood projects, community organizations and other grants.

The lowest rung is the **traditional** approach - the funder sets the standards, the evaluator works from the outside, and the grantee simply files reports and follows the rules set by the funder.

The next step gives the grantee an **opportunity to comment** on the evaluation. This enables the funder to check the validity of its approach, seeing whether the grantee raises any questions concerning the evaluation's fairness, choice of outcome measures and indicators, methodology or eventual use. The funder retains the freedom to accept or ignore any comments it may receive.

A third step involves more **serious consultation** with the grantee on key elements of the evaluation. This may result in the grantee being able to influence such aspects of the evaluation design as the choice of output measures and indicators or reporting requirements.

The fourth rung involves **seeking the grantee's experience and views**. This may include focus groups, interviews, and other techniques for learning from the grantee.

A fifth level involves the grantee directly in **conducting the research**. This could include the grantee's self-assessment of the project, or involve grantee staff or volunteers to help analyze key documents, conduct interviews, and otherwise collect data.

The sixth step involves the grantee in **analyzing and interpreting the data**, working with an outside researcher or others to develop the final report.

The seventh rung goes one step further: it involves the grantee deeply in **developing the conclusions and recommendations**. At this level the grantee works with others in reflecting on its own work and how it might be strengthened. This level of involvement prepares the grantee to make immediate course corrections or update its strategic plan to take advantage of lessons it has learned from the evaluation.

Full partnership in designing and conducting the evaluation is the eighth and highest level of participation. In these cases, foundations involve the grantee in every step of the evaluation, including the original design phase when so many crucial decisions are made about the issues, the methodology, and the ultimate use of the evaluation.

Some funders give grantees **the opportunity to choose the evaluator** on its own or in concert with the funder. Obviously participation in deciding this key issue can greatly enhance trust, collaboration and the grantee's sense of investment in the evaluation. It can result in a strong working relationship between the grantee and the evaluator - the kind of relationship which is likely to increase the evaluation's impact upon the grantee.

In general, funders that stretch to maximize the role of grantees in important aspects of the evaluation find that this greatly reduces friction and tension, and fosters collaboration, learning and improvements in grant-giving. This is true whatever mix of quantitative and qualitative information the funder may need, but is particularly helpful when the funder wants an incisive evaluation grounded in reality regarding the state of the project.

However, considering how overloaded and underfunded many nonprofits are, it is entirely possible that **the grantee may want to strictly limit its participation** in the evaluation. This is especially true for grantees on the front lines in low-income communities. While they want to be sufficiently involved in the evaluation to ensure it is useful, they may not be able to give high priority to detailing staff or volunteers to participate in meetings, research, and analysis. They may, in short, be better served by an evaluation process which others oversee than by one which adds yet more work for their organization.

Beneficiaries: The Essential Component

Some evaluations take another remarkably important step in expanding participation. They reach out beyond the grantees to the grant's intended beneficiaries - poor people, people of color, and others who are to benefit from the organizing, services, development or policy work.

What could be more essential in evaluating a grant than learning whether the people who were supposed to benefit actually feel its impact and gain from it? And yet many evaluations which are labeled “participatory" do not include this vital step - they limit participation to the grantee itself and do not consult with the people who have the biggest stake in whether the grant really has the intended impact.

An evaluation that reaches out to the ultimate beneficiaries gives the donor vital information concerning the extent to which the grant is meeting its goals - essential information it cannot get otherwise. Furthermore it enables the beneficiaries to point out any problems they may see with the program and to suggest how it could be improved.

This outreach democratizes the evaluation process by adding the perspectives of those who are the primary stakeholders in the grant's success - the people whose views are most often neglected by other approaches to evaluation.

Participatory monitoring and evaluation is far more frequently used in developing countries and Europe than in the US. International NGOs, the World Bank and other institutions have become more serious about trying to get the views of beneficiaries as they evaluate programs and plan for the future. For example, ActionAid - an NGO working in 28 countries in the South - is using participatory evaluation as a key tool for shifting power relationships, giving people in the South far more of a voice in assessing ActionAid's work and influencing its plans for the future.

Three Practical Issues

1. Identifying Individuals to Assist with Evaluation and Learning

Overall, there is a great shortage of people with experience and skills in participatory evaluation. This field narrows even more if you want someone who has evaluated similar projects and organizations - ones addressing some aspect of neighborhood change or community development.

As you decide whom to involve in the assessment, you should first revisit the issue of exactly what you are trying to accomplish, and then decide what kind of people could bring the skills and perspectives you need. You may be surprised; you may not need or want a "professional evaluator."

Your own staff may be able to do the evaluation. As you decide what you need to learn from the evaluation, think hard about whether you or others on your staff can do the work yourselves. Don't be scared off by the "technical" side of evaluation. Ed Pauly, Director of Evaluation for Wallace-Readers' Digest Fund, stresses that foundation staff are usually expert at learning, know their grants and grantees better than anyone else, and know what they need from the evaluation. They often are well qualified to do the actual evaluation work.

External professional evaluators bring the advantages of distance, experience evaluating other situations, and extensive knowledge of methodologies which may be helpful. However, they may also face substantial barriers, especially if they lack previous experience working in similar settings, with groups facing similar challenges. Without that background they may find it impossible to create the working relationships and trust they need to get full cooperation and access to data.

Furthermore, their approach to evaluation may not work well in these settings. If their methodology is highly quantitative or otherwise geared to assess massive public programs or large institutions, it may be appropriate for smaller organizations working in neighborhoods or on broader policy issues. In those arenas there is a tremendous need for innovation, trial and error, and rapid changes in strategy to seize new opportunities or avoid unexpected roadblocks. The most effective organizations are nimble and flexible. The main indices of real progress relate more to issues of capacity, power, and influence than simply to whether a project had the specific quantifiable results which were originally predicted.

Professional evaluators who understand these dynamics and gear evaluations to their reality can be great assets to donors and grantees. While this combination is rare, some evaluators at universities, non-profits or consultant firms have these skills and extensive experience with participatory evaluations. Some also are experienced working with community groups on participatory research projects that involve community leaders in analyzing community and public policy issues.

Participant observers can bring remarkable insight into the inner workings of community groups and programs. Such books as John Fish's classic *Black Power, White Control*, Paul Osterman's insightful study *Growing Power*, and the revealing comparative study *Faith in Action* by Richard L. Wood provide examples of how an outsider who works closely with an organization over an extended period can develop in-depth knowledge and perspective, and then draw a vivid portrait of organizational life and the lessons which can be learned from an organization's experience. For some foundations this approach is an excellent way to bring an evaluative eye to the issues they most want to explore.

Some grantees rely on **technical assistance groups, coaches and their own consultants** to help them evaluate their work and gain exposure to other approaches which they should consider. Good technical assistance groups and coaches are constantly informally evaluating the organizations and programs they work with, identifying issues needing attention, and pushing the organizations on these issues. If they already work with a grantee, they may offer unique advantages to a formal evaluation - a good working relationship with the grantee, knowledge of the issues, and perhaps the time, rigor, and objectivity needed to give the nonprofit feedback on its effectiveness.

However, support organizations and coaches face one major difficulty as evaluators. If they are already committed to an organization or project, they must avoid being caught in the middle between that commitment and a funder's desire to get an objective, perhaps tough assessment of the group or project. This conflict in roles can present a serious impediment if the evaluation's main purpose is accountability and judgment. There is, however, no inherent role conflict if the funder's main purpose in commissioning the evaluation is to foster learning or build the nonprofit's capacity.

Some nonprofit groups turn to **peers and other practitioners** for evaluation and feedback. They see peers as "being in their shoes," uniquely able to understand the situations and issues. In their eyes, practitioners are better equipped to evaluate their work than are professional evaluators who may have little knowledge of their field, or funders who are somewhat removed from the realities and choices practitioners face on the front line. They also see peers as resource people who have faced similar issues and thus may bring to the evaluation great "added value" - suggestions of alternative approaches to those issues which the group may not have considered.

However, peers should not be placed in the middle between a funder and a grantee. As with support organizations and coaches, there must be a clear understanding involving all parties concerning the uses of the peer review, the peer reviewers' role, the issues they are to address, what they will keep confidential and what they will share with funders.

Peer learning groups or learning circles give organizations working on the same issues a valuable opportunity to come together periodically to learn from and support each other. This cross-fertilization of ideas exposes each grantee to other approaches to similar issues, thus stimulating learning and creativity. As the case studies in the Appendix demonstrate, it also often leads to opportunities for groups to work together to prove their impact or expand their power to influence funders or policy-makers on key common issues.

A final alternative is to support **self-assessment** by the grantee. This approach pushes the grantee to reflect continually on its work and the lessons which flow from it. The reflection centers on such issues as: What are the most important goals we are trying to accomplish? How can we best measure our progress? What indicators are most useful, and what are the best sources for that information? How can we judge what is going well and what isn't? How can we best learn how to increase our level of success? How can we learn about other approaches that might work better? How should we prepare ourselves organizationally to carry out this continuing reflection, learning, and planning process? What help do we need in doing this? How have you changed your programs or operations based on what you are learning? How do you plan to communicate these results?

Many nonprofits already have their own evaluation and learning systems. They may not think of these systems as "evaluation", the "e-word" - they may instead see them as providing essential feedback which helps them track their current work, train and strengthen their staff and leaders, spot trends and problems, and plan for the future.

If a nonprofit already is serious about learning, funders should carefully consider building any additional evaluation and learning upon the systems which are already in place. That is much less disruptive for the grantee, can fortify the already helpful systems, and may well be the most effective way of getting the facts and insights the funder wants.

2. How Much Should You Spend on Evaluation?

That depends.

It depends upon what you need and the best way of getting it.

If the evaluation isn't being done by foundation staff, you'll need to develop a budget for it. Even a requirement that the grantee conduct a self-assessment has financial implications, and it's important not to add requirements on a grantee without providing the support needed for time and other expenses.

It is also important that you keep the evaluation budget within reason. This is one more reason it's essential to be very clear about what you need most from the evaluation, and to avoid overelaborate and costly designs. Some use 5-15% of the grant amount as a rule of thumb, the higher amounts being approved when there's a heavy emphasis on training and capacity-building or other participatory processes which take extra time.

Grantees desperately need **core operating support** to provide sufficient stability and flexibility so they can retain the staff and consultants needed for sound management, including sustaining feedback, evaluation and planning systems and the levels of community participation which will enable them to do their work well. Funders concerned with evaluation and learning should take this need for core operating support into account as they develop their budgets.

3. Final Tips for Working with Grantees

Needless to say, some funders have established excellent working relationships with their grantees, based on their common commitment to making progress on vital community or public policy issues or important projects. Some of these work as real partners with their grantees, bringing them together in learning circles or other ways to learn from and support each other.

But even those foundations need to remind themselves of one central fact: **there is a major power imbalance between them and their grantees**, and they should always take this into account as they evaluate and work with their nonprofit partners. Sensitivity, respect, clear ground-rules about expectations and care to avoid too heavy a hand are essential to good working relationships with grantees.

Some key tips:

- DO NO HARM - First and foremost.
- Start the evaluation early: The earlier the evaluation begins, the more helpful it can be for grantees and funders that are serious about using it to learn and improve their performance.
- Early dialogue about expectations: Funders and grantees should be candid from the beginning about their priorities for the evaluation. Grantees often feel that they don't understand the funder's real agenda in commissioning the evaluation, and that they aren't asked for input . Clarity and consultation can avoid many misunderstandings and increase collaboration.
- Future funding: If you want to facilitate candor, learning and collaboration, don't link the evaluation with future funding decisions. Furthermore, if the evaluation will not influence future funding for the group, reassure them that their funding is secure.
- Internal organizational issues: If it isn't essential that the evaluation delve into the strengths and weaknesses of the grantee or its program, do not focus on these sensitive internal issues and make sure the grantee knows those issues won't be addressed. If you are planning to address internal issues, inform the grantee fully and reassure them that information will be kept confidential. As you're designing the evaluation, put yourself in the grantee's shoes: think about how you would feel if you were being evaluated, and what goals, process and standards and goals you would want applied.
- Choice of evaluator: If you are selecting outside evaluators, look for people who have a track record of developing productive working relationships with the grantees and their communities, and who understand the dynamics involved in bringing about change at the community level, especially in communities of color and low-

income neighborhoods. Look for evaluators who can bring "added value" - sufficient knowledge of the field to be able to suggest alternative ways other groups have solved similar problems. Involve the grantee in choosing the evaluator whenever possible.

- Grantee participation: Give priority to maximizing the grantee's participation in the evaluation process, and to designing an evaluation which will be helpful to the nonprofit.
- Grantee benefit: Consider giving your grantees funds to support an evaluation process which they design and control and which is geared solely to helping them learn and build capacity. Grantees desperately need special or core funding for this purpose, they will benefit greatly from it, and you will benefit from the grantees' increasing effectiveness and impact.

"Eyeballing effectiveness entails less what a group does than what it is. To be a transforming and healing agent in a neighborhood, a group must be embedded in the neighborhood, reflecting its best traditions and hopes for the future.... While the largest foundations continue to tie themselves in knots in the Evaluation Wars, smaller foundations are free to undertake the deliberate, cumulative, intuitive process of mapping networks of effective grass-roots groups in their own backyards, compiling over time their own checklists of effectiveness, based on their own experiences. Measurable outcomes are no substitute for this deeper wisdom."

- William A. Schambra, Director, Hudson Institute's Bradley Center on Philanthropy and Civic Renewal, in The Evaluation Wars

Conclusion - Choosing the Best Approach

To sum up, different funders have different priorities as they approach evaluation. Some are most concerned with getting a firm **assessment** of how well the grantee is doing, and thus want an evaluation system which will give the best possible data on performance. Others are firmly committed to using evaluation as a **learning** tool. They want to build knowledge within their grantees, their own institution, or the broader field, drawing whatever lessons they can from experience. And other funders see **capacity-building** as central to their mission, and therefore fashion their evaluation to help grantees build an ongoing capacity to strengthen their operations and their impact by reflecting on their work, making changes to reflect and demonstrate what they have learned.

All three priorities are important, and some funders are seriously committed to trying to accomplish two or even all of these goals. This is not easy, as there are real tensions and tradeoffs involved in choosing which goal is most important for a particular funding situation. It is crucial that each funder thoroughly think through the priority it gives each of these goals. That choice determines the most appropriate and effective strategy for evaluation.

Participatory approaches can help funders achieve all of these goals. At a minimum, participation can reduce tension and enhance cooperation. A more robust process can lead to great gains for both the funder and its grantee - learning on key issues, growing capacity for the grantee, and a far greater opportunity for the level of impact to which both the donor and the nonprofit group are committed.

Appendix A: Case Examples

Self-assessment: Debriefing and Reflection in Community Organizing

Many community organizations already have extensive processes for reflecting on their work and improving it.

Community organizing groups come from a particularly strong tradition of disciplined reflection on their work. Many groups, including the affiliates of such major organizing networks as ACORN and the IAF, are highly disciplined in "debriefing" after every public action or key event in order to give their staff and leadership opportunities to reflect and learn from their experience.

These reflection sessions are a central part of leadership development and training. Typically, they start with the people who had primary responsibility for an event or "action" reflecting on what went well, what didn't, and what they would do differently next time. Then others in the organization give their assessments, with staff encouraging them to be rigorous and candid so that the session is a genuine learning experience for everyone. The senior staff person then adds his/her perspective and to make sure the experience helps prepare people for increasingly effective action in the future. The meeting ends with planning the next stage of the work.

Similar discipline is extended to reporting. Many groups require weekly written reflections by key staff and community leaders as part of a continuing learning process. These usually provide quantitative information on such issues as:

- the number of new people whom the organizers contacted and interviewed,
- the number of people who came to various types of community meetings, and
- how many people took on leadership roles in a public meeting for the first time.

Usually they require that organizers reflect in writing on the issues they face and the progress they are making. These reports provide an excellent basis for evaluating the growth and health of the organization's organizing and leadership development work, and for providing an organizer with feedback and training from supervisors and peers.

Owning the Indicators: The Success Measures Project

Nonprofit groups often feel that they are being evaluated on the basis of measures which are unfair or otherwise off base. They are greatly frustrated by this and especially upset when they are not even consulted about the standards which are being applied. They point out that this lack of consultation increases the chance that the evaluation won't give a true picture of their accomplishments, and may do harm.

The Success Measures Project emerged from such a history. Chafing from evaluations which they felt missed the mark, and anxious to increase their accountability to their own communities, the directors of a large number of community development corporations came together to tackle the central issue of how their performance should be assessed.

With funding from several foundations, the Development Leadership Network established the Success Measures Project in 1997. They hired staff and consultants, and devoted more than two years to consultations with CDC leaders and staff throughout the country. Through these meetings and research, they defined the best measures upon which their work should be judged. In 2000, DLN partnered with the McAuley Institute to work with community groups to develop data collection tools to accompany the indicators that emerged from the initial consultation process.

McAuley and DLN believe that stakeholders for each community development program, particularly agency staff and community residents, should select indicators that reflect their unique vision, strategy and circumstances and which are meaningful to their community leadership. The *Success Measures Guide Book* therefore sets forth several alternative sets of indicators which can be used, giving the CDC staffs and boards and their funders useful examples which will help them select indicators appropriate to their situations. The 250+ page *Guide Book* focuses on three aspects of CDC programs - housing, economic development and community building. It contains descriptions of how to use 44 indicators for measuring impact, along with guidance on how to integrate outcome evaluation into an organization's planning, management and accountability processes.

In the course of developing the *Guide Book*, more than 500 people in dozens of CDCs were trained on evaluation techniques, including ways of involving staff and community representatives to develop a "community benefits analysis." This process involves people in projecting plans for the future, and then deciding how best to measure progress towards those goals, using indicators which fit with the group's vision and its approach to evaluation.

The most recent development has been a Success Measures Data System, a user-friendly online tool that will enable users to select indicators; generate on-line forms, such as surveys; enter secure data and, using advanced technology functions, generate reports and summaries. McAuley's soon-to-be released prototype will help CDCs bridge the technology gap and inexpensively conduct their own participatory evaluations of data over time.

For more information about the Success Measures Project, contact H. Tia Juana Malone, Interim Executive Director, Development Leadership Network (617) 971-9443, tmalone@developmentleadership.net; or Maggie Grieve, Manager, Research and Evaluation, McAuley Institute, (301) 588-8110, mgrieve@mcauley.org.

Documenting the Achievements and Lessons: The Indicators Project for Education Organizing

In 1997 the Cross City Campaign for Urban School Reform brought together a group of community organizers and funders to discuss what could be done to help funders better understand the impact of community organizing groups on public school reform . The meeting concluded with agreement on the need for better ways to document and assess the relationship between community organizing and school reform.

The Cross City Campaign took the lead in working with organizers and funders to find new ways to increase this understanding. The Campaign is a national organization which works with community groups in nine American cities on school reform issues. Cross City developed what became the "Indicators Project on Education Organizing", and brought in Research for Action, a nonprofit which specializes in education research and reform, to assist.

They started with a series of interrelated questions: What difference does organizing make? How can that impact be described so that it can be more widely understood? What is needed to sustain both community organizing and school reform work?

They then surveyed the country and identified 150 groups which were organizing on school issues. They interviewed a cross-section of nineteen groups and then conducted five in depth case studies. The groups studied in depth were selected to represent three major organizing networks (IAF, ACORN and PICO) and two independent organizing groups (Logan Square Neighborhood Association in Chicago and the Alliance Organizing Project in Philadelphia).

Cross City's approach to the case studies involved local groups. Project staff conducted extensive site visits and discussed organizing and school issues at length with organizers, leaders and others involved in schools. It soon became evident that community organizing and the issue focus (in this case, school reform) are strongly linked in the studied cases. The Project therefore focused on isolating the key elements of both organizing and school reform work and then looking at how they are interrelated.

From this exploration emerged agreement that - to improve both schools and neighborhoods - two sets of strategies are essential. The first is "building the community's capacity to act" - building community power, leadership, and social capital (or relationships). This requires constant attention and nurturing as it creates the basis for increasing public accountability and holding schools, parents and students accountable for better results. The results are in four areas of school improvement: equity, school/community connections, curriculum and instruction, and school climate. For each of those areas of impact, the case studies identify

- Strategies,
- Results, and
- Data sources to document the results.

Cross City concluded that the most successful organizations pay constant attention to strengthening their abilities to do both community organizing and school reform work. This interrelationship and the need to continue nurturing both sets of strategies and focus on public accountability is reflected in the "theory of change" below.

The Campaign does not describe its work as "evaluation". Instead it has been "developing credible ways to document the impact of organizing on public education", "indicators of the contribution of community organizing to school reform". It has not been looking at strengths and weaknesses of the groups, the stuff of some "evaluations", but think their approach could be used for such assessments.

The approach, results, and products developed through this process are now being used to enable other groups to use them for self-assessment.

For more information about the Cross City Campaign, contact Anne Hallett or Chris Brown at Cross City Campaign for Urban School Reform (www.crosscity.org) or Eva Gold or Elaine Simon at Research for Action (www.researchforaction.org)

Appendix B: Resources

Aspen Roundtable on Comprehensive Initiatives. ww.aspenroundtable.org.

Bickel, William E., Ricardo Millett and Catherine Awsumb Nelson. "Challenges to the Role of Evaluation in Supporting Organizational Learning in Foundations." Summary published in *Foundation News and Commentary*. March/April 2002.

Brown, Prudence and Sunil Garg. *Foundations and Comprehensive Community Initiatives: The Challenges of Partnership*. Chapin Hall Center for Children. April 1997.

Campbell, Marty and Charles McClintock. "Shall We Dance? Program Evaluation Meets OD in the Nonprofit Sector." *OD Practitioner*, Volume 34, No. 4, pp. 3-7.

Chapman, Jennifer and Amboka Wameyo. *Monitoring and Evaluating Advocacy: A Scoping Study*. Action Aid. January 2001. www.actionaid.org.

Checkoway, Barry and Katie Richards-Schuster. *User's Guide to Participatory Evaluation for Lifting New Voices*, www.ssw.umich.edu/youthandcommunity/.

Cross City Campaign for Urban School Reform. *Strong Neighborhoods, Strong Schools*. Indicators Project on Education Organizing. www.crosscity.org.

Estrella, Marisol, ed. *Learning From Change: Issues and Experiences in Participatory Monitoring and Evaluation*. Institute of Development Studies. 2000. www.ids.ac.uk/ids/particip.

The Evaluation Exchange. Quarterly publication of the Harvard Family Research Project, Harvard Graduate School of Education. http://gseweb.harvard.edu.

From the Roots Up: Strengthening Organizational Capacity Through Guided Self-Assessment. World Neighbors. www.wn.org.

Fullwood, P. Catlin, Dana-Ain Davis and Elizabeth Debold. *The New Girls' Movement: New Assessment Tools for Youth Programs*. Ms. Foundation for Women. www.ms.foundation.org

Grantmakers for Effective Organizations. www.geofunders.org.

Guijt, I and J. Gaventa. "Participatory Monitoring and Evaluation: Learning from Change." *IDS Policy Briefing 12*. Institute of Development Studies, Brighton. 1998.

Patton, Michael Quinn. *Utilization-Focused Evaluation*. Edition 3. Sage Publications. 1997.

Pauly, Edward. "Common Sense and Assessment." Presentation for NYRAG program, "Learning From Our Experience: Assessing the Work of Grantmakers." Spring 2001.

Perrin, Burt. "How to - and How Not to - Evaluate Innovation." *Evaluation*. Volume 8, No 1.

Success Measures Guide Book. Development Leadership Network. 1999

W.K. Kellogg Foundation Evaluation Handbook. W.K. Kellogg Foundation. www.wkkf.org.