Background Note

Promoting evidence-based decision-making in development agencies

By Harry Jones

There is a growing political focus on the quality of aid. Energy and resources have been put into reforms to improve aid effectiveness by basing programming on evidence about what works, increasing the level of evaluation and strengthening evaluation rigour. This is a laudable ambition, but the measures being put in place to improve the production of evidence will not improve aid effectiveness unless they are backed by measures to promote the actual use of that evidence.

Past experience demonstrates the problems. Studies show that development agencies may or may not take on board lessons from evaluations (Sandison, 2006), that the use of information on performance is largely superficial (OIOS, 2008), and that agencies have insufficient capacity to absorb research (Booth, 2011). Previous efforts to improve evidence-based decision-making have failed because they have tried to impose frameworks from other fields, paying insufficient attention to the complex challenges faced by development policy-makers and practitioners (Jones, 2011).

In the absence of an all-encompassing model to deal with complexity, institutional innovation is the only way forward, based on an appreciation of real challenges facing development agencies.

This Background Note builds on recent research by ODI into the dynamics of decision-making in development agencies (Jones and Mendizabal, 2010; Mendizabal et al., 2010; Pellini and Jones, 2011). Drawing on over 100 semi-structured interviews, in-depth document reviews and surveys completed by over 500 staff, we recommend clear, practical measures to improve the use of research and evaluation for decision-making.

The stakes are high: if secretaries and ministers for development agencies do not take steps to improve the use of evidence, evaluation reforms might be seen as expensive additions to bureaucratic procedure that do not contribute to the 'real' work on the ground. Improving how agencies learn, drawing on evidence on how this happens, can help policy-makers demonstrate their determination to ensure that taxpayers' money is well spent.

Well-known problems

Research by ODI and others has shed light on problems that are seen as 'part of the furniture' by development agency staff, who confine their opinions on these problems to informal and personal reflections. This research is part of a growing body of work (e.g. Klausen and Felix, 2010) looking at dynamics that have not, until recently, been the subject of systematic investigation.

Staff turnover and institutional memory

There is a strong perception that agencies spend a lot of time 'reinventing the wheel', and there is evidence that much of the work carried out by policy teams and country offices is repeated, is overlapping, and fails to capitalise on existing work or past experience. Significant depth of understanding and experience is held by long-serving individuals, but not captured in systems to record lessons from operational experience.

This is about incentives, with career incentives to move on after relatively short postings in a particular country. Often, the staff involved in a programme's planning have moved on by the time of the final evaluation, and new staff may want to 'put their stamp on something'. This lack of ownership, coupled with rewards for new ideas, reduce the incentive to use proven ideas or lessons learned elsewhere.

Increasing pressure and undervalued learning

Many agencies have seen rising budgets alongside staff cuts. In the 2000s, for example, the UK Department for International Development (DFID)

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has aimed to 'do more with less'. This leads to increased demands on staff – one estimate suggests that there has been a 70% increase in the average budget overseen by every DFID professional advisor in the health and education sector in the past five years (Mendizabal et al., 2011).

Some agencies have moved from project-based aid to policy dialogue, which has amplified the challenge. Influencing policy is complex and time-consuming work, which requires just as much technical expertise, plus other skillsets (ibid.). Under extreme time pressure, many staff feel unable to properly draw lessons from the evidence, relying instead on their own past experience.

Time pressure is not, of itself, a reason to drop any one activity in favour of another, but it reveals the underlying values placed on different activities, and the most powerful incentives in play. Several sources suggest that learning is not highly valued (e.g. NAO, 2008), and that the imperative is to spend funds within specified timeframes and fulfil various bureaucratic demands.

Poor linkages and communication

One key challenge emerging from our research is difficulties in learning and communication between and across development organisations. Insufficient sharing of knowledge and expertise between departments means that significant improvements in efficiency or effectiveness may be missed.

This may be particularly acute in the 'operational/ programming' side of donors' work, such as between country offices. In many agencies some power has been devolved to geographic units (country or regional offices). This may allow programming to respond to local realities, but when some functions are reproduced for different geographic regions and offices they often work quite independently, rather than learning from each other. This lack of learning has also been noted in links between programming and other departments, and between non-programming departments, where multiple and overlapping business models don't necessarily join up.

Learning dynamics

Our research has looked beyond these problems to the dynamics of decision-making within development agencies to gain a deeper understanding of how and why lessons are learned, and why current systems are not sufficient. We take three different start points for learning and evidence-informed decision making: evaluation studies, decision-making and the organisational perspective.

Evaluation studies

First, agencies may take on board lessons from past work through a 'cycle', with programming seen as a sequential, cyclical process moving from agenda-setting, to formulation, to implementation, to evaluation, feeding back into further formulation. Learning is conceived as **ensuring that evaluation studies are influential and acted upon**. Many development agencies have a central evaluation department or unit that carries out or commissions various reviews and assessments of programmes and policy, some based on certain planning and budgeting cycles, and some identified as worthy of interest through other means.

Our research shows that learning from evaluation is variable. The policy cycle does have relevance in some parts of development agencies: we found a perception that it marks an important rhythm in DFID country offices, with evaluation hard-wired into systems and processes and recommendations acted upon where feasible.

There were some concerns that key recommendations were not always acted upon, however this may reflect a lack of realism about the multiple factors that influence programming decisions. More worryingly, much donor work lies outside this idealised 'policy cycle'. Country-level programming often has to work in a 'reactive' mould, with few systems to ensure that broader lessons from country evaluations are fed to relevant areas. Evidence shows that evaluations often have little relevance to staff in policy departments who may have more frequent, short-term evidence needs than can be met by the kinds of study carried out by central departments.

The common factor where learning does emerge from research and evaluation is ownership. Staff tend to draw positively on evaluations if they have been involved actively in the process. For example, staff in country offices reported that evaluations gave impetus and profile to issues sometimes only tacitly acknowledged, and lessons are often drawn thanks to team meetings and workshops occurring around the evaluation. Evaluation findings were taken on board by units that were not evaluated directly where team members were involved in the study (e.g. peer review). By far the most influential pieces of research and evaluation seem to be 'decentralised evaluation': studies and assessments commissioned by individuals and teams according to need, rather than by central evaluation departments.

Decision-making

A second way to understand learning starts with decision-making and action, focusing on **the extent to which evidence informs the process of policy and programming**. Our interviews showed that decisions

often approximated an 'interactive' model (Grindle and Thomas, 1990), whereby different institutional processes and platforms give different stakeholders varying incentives, and varying points where they can exert pressure and have an influence.

An initiative often gets its initial impetus from the political sphere (e.g. from the minister of the agency, or a request from national government stakeholders). Policy or programme teams must then try to operationalise it, attempting to design programmes based as much as possible on sound analysis and evidence to create a workable initiative that fits the key criteria. There is then negotiation between ministers and civil servants until an acceptable compromise is reached.

The key issues for learning link to the location, strength and stakes of the actors to drive or alter policy initiatives, and how formal and informal incentives shape the use of evidence through the negotiation process. Most development agencies have systems to feed evidence into programming, such as regulations around project approval that require assessments and analyses. There are also less formal processes, where evidence can be a tool to influence others and find 'triggers' for resource allocation.

In a push towards evidence-based policy, work that is supported by evidence and lessons from research and evaluations builds credibility and influence within the organisation. While there are some worrying signs about a bias in the types of evidence preferred in internal donor discourses (e.g. 'participation' and 'sustainability' were mostly absent from interviewee concerns), there are sufficient opportunities and windows to use evidence.

However, the formal requirement to use evidence is not enough to guarantee a genuine focus on carrying out robust analysis. The capacities of, and incentives for, individuals involved in these processes are crucial.

Professional staff and advisors emerged as central to embedding real evidence-based lesson-learning, as the individuals whose job description and career incentives are geared towards using technical knowledge and professional expertise. Evidence-informed policy- and decision-making works well where these individuals are well-qualified, can reach positions of sufficient power within their organisation, and are given workable remits. Where this is not the case, with, for example, an advisor covering many sectors at once, or where sector programming is not linked to an in-house advisor, problems arise and performance is more disappointing (Mendizabal et al., 2010).

Organisational perspectives

Learning can be understood from an organisational perspective: the extent to which an **agency's knowledge is captured, shared, and used as and where needed**.

Our research suggests failings in the IT systems designed to facilitate and perform some of these tasks. In general, interviewees reported that they could only find specific documents and pieces of information that they already knew were there. Searches for other information (often passed to administrative staff) generally took considerable time, without consistent results. A lack of common taxonomies is a major underlying problem in some instances, while the problem in other instances is failure to use an existing taxonomy (Pellini and Jones, 2010).

Knowledge-sharing and learning through interpersonal interactions and informal networks happens quite effectively, however. The strongest and most triangulated finding from our work was that personal contacts were the first port of call to find documents or information held elsewhere in the organisation, and for more general learning, including learning 'on the job' through mentoring by, and discussion with, colleagues. Face-to-face meetings, workshops and seminars were rated highly, while the most positive perspectives on learning in development organisations were found when such networks were facilitated and managed intentionally, for example around disciplinary groupings or advisory cadres.

Yet approaches to organisational knowledge management tended to see learning through personal interaction and processes for connecting people as secondary to more systems- and database-focused solutions. Much money has been spent on IT systems that are not fulfilling their intended purpose. Their poor performance could be because they are not well embedded in the human dynamics of learning: taxonomies and shared information standards only tend to succeed when developed by and negotiated between the stakeholders who will use it actively (Pellini and Jones, 2010). Evidence also shows that in the face of complex, uncertain tasks, knowledge management must put more emphasis on the transfer of tacit knowledge from person to person (Michaels, 2010).

Policy recommendations

Too often, the existing systems and processes to support evidence-informed decision-making are missing the mark. On the one hand, this seems to be because the implementation and roll-out of systems designed to assist knowledge capture and sharing have paid insufficient attention to the pace and dynamics of organisational change. For example, knowledge taxonomies (a formal set of names and descriptions used to organise information and documents consistently) can provide an anchor around which learning

can be structured and sharing promoted, especially if combined with sufficient search engine capacity and a variety of automated alerts and mailings (Pellini and Jones, 2011). However, **their implementation needs to start with existing processes and practices, and build from there realistically and incrementally, preserving ownership at all costs**. Developing a taxonomy requires trying to improve consistency between processes dealing with similar elements in different parts of the organisation. It must focus on building agreement between the teams intended to actually use the system. This in turn means not being overly ambitious in scope – having two or three categories that are well implemented (e.g. sector, country, theme), between the departments most likely to benefit from joined-up working (e.g. operational units), is likely to provide benefits that are greater than more ambitious, less embedded systems.

There should also be a **shift in approach** on how to promote evidence-informed decision-making. The disappointing performance of many systems and processes is not just because they are poorly implemented, but is because they are based on an ideal of the policy cycle that is irrelevant for complex, and sometimes politically-instigated work. Initiatives to promote learning must look for different ideas. The literature on linking knowledge and policy in public policy shows that, where issues facing an organisation are characterised as highly complex and multifactoral, processes of interaction, discussion and exchange are more effective than those based on summarising research, disseminating papers, and commissioning reports (Michaels, 2010; Jones, 2011).

There are models of proven efficacy from the private sector and emerging incremental innovations in development agencies. In general, these strengthen and systematise learning processes that are, as our research shows, already happening and that are already organisational strengths. Promoting learning by facilitating interpersonal interaction and building ownership would work with the grain of existing learning dynamics, compared to IT-based approaches (such as taxonomies) that require massive behaviour change to get staff to upload and tag documents effectively as a matter of course. Therefore , the measures below could also represent promising 'quick wins' in terms of efficiency and effectiveness.

Embedding structures for interpersonal learning
Efforts should be made to facilitate existing channels that already function for learning in development agencies, particularly interpersonal links, and embed them in key organisational processes.

This needs an active approach to **facilitate and embed networks and communities of practice**. Providing online spaces for interaction, mechanisms for discussion and dissemination, and the sharing of resources is important, as is the allocation of resources for retreats, workshops, etc. Beyond this, some agencies have found that they need resources to pay for staff to facilitate network interactions, or to contribute to and champion the network.

Success means avoiding attempts to overly 'control' or 'manage' these networks) as they will tend to live and die on the basis of informal dynamics. Networks are often organised around sectors or professions – but have also been centred on cross-cutting issues such as managing for development results, methodological concerns such as evaluation, or key skillsets such as policy influencing and relationship management. The Asian Development Bank (ADB) and the Swedish International Development Agency (Sida) have embedded such networks in organisational processes to provide 'peer review' at key stages of project and programme approval.

Another priority is to provide good 'yellow pages': a simple, reliable and regularly updated **system for finding staff within the agency based on their experience and expertise**. This would address the weakness of interpersonal links as a learning mode by making it more systematic. It should include expertise beyond technical proficiency, in particular experience of countries and context.

One innovation proposed in DFID was to link the project database to the people database – enabling searches based on different attributes of projects in which individuals have been involved in (e.g. country, sector, etc.). This will require an organisation-wide taxonomy to tag staff expertise in a consistent way that is consolidated across other domains such as project categories. It would be crucial to link this tagging to existing organisational processes, to make it compulsory and enforce quality control (while giving groups freedom to define their own categories for some areas). For example, assignations of expertise could be tied to annual performance appraisals, and people could be tagged to projects during the project approval processes.

Supporting decentralised evaluation and research
Efforts should be made to support the various reviews and assessments that are needed by teams throughout development organisations, aiming to build both their quality and ownership. One approach has been to have **central evaluation departments build their programme of work in ways that strengthen ownership** of operational teams over the process and product.

In Sida, the (internal) evaluation department is built on principles of utilisation-focused evaluation (Molander, 2010). As part of the annual planning process, operational units submit their 'knowledge needs', and ask how evaluation can meet these. The evaluation unit selects a number of these to fund, giving feedback and advice on framing and commissioning the study. The staff who propose the evaluation become its reference group, and identify its intended use and further users – and together they draft the Terms of Reference. At every stage, the intended users are brought together to reflect on issues and findings. A similar approach piloted by the Danish International Development Agency (DANIDA), which involved national governments in defining their research priorities, with questions grouped and then local research capacity matched to Danish institutions to carry out the work.

Efforts should also be made to improve the quality of commissioned studies and to build up commissioning capacity. It may be that a central evaluation department should function as a 'help desk' to promote learning, providing feedback and advice to enable teams to commission robust, useful studies.

DFID initiatives in this area highlight the need to assign responsibility to members for facilitating evaluations in different sectors, and in different regions, and to capitalise on their position by facilitating linkages and coordination between different work programmes around the organisation (Jones and Mendizabal, 2010). Organisational systems must be flexible to apply a broad range of methods for evaluation, and guidance is sorely needed to help practitioners choose between different methods (Better Evaluation, 2011).

One institutional innovation that appears to be an important ingredient for success is the **merging of departments for quality assurance and learning** (whether this is at a central or decentralised level). In ADB, regional departments that housed the 'knowledge management' and 'results-based management' functions in one office or under one 'quality control manager' could ensure these processes complemented each other. With approval processes and performance reviews tied to assessments, peer review, research and events that are geared towards learning enabled the two functions to be integrated in a constructive manner, and achieving a high degree of ownership. Sida has done this at a central level, with review tied to a committee system, IT systems streamlined to only those tasks that can be automated and key platforms created for the requisite conversation and deliberation required for appropriate judgements.

Valuing knowledge and learning in staff

The importance of having skilled and experienced staff in the right positions has been highlighted time and again. Valuing and building this skill and experience requires careful attention to the specific challenges and needs of development work.

Our study on models of advisory capacity in DFID showed the **different functions that professional staff can play, and how best to support them**. Their technical knowledge is a valuable input to programme design and management, and often a prerequisite for effective policy engagement. Having these capacities available in-country to cover key sectors is important to ensure value for money, and DFID and ADB are among those who have recognised this with recent recruitment drives for front-line staff. Remits and responsibilities must be defined carefully and realistically. Where an adviser has to cover unfamiliar terrain, provisions must be made for them – either by ensuring that they can draw on specialist capacities elsewhere, or giving them the time and support required to build knowledge and networks (Mendizabal et al., 2010).

In general, greater **value must be given to staff knowledge and expertise**. Development is a complex, knowledge-intensive business (Jones, 2011). While Google's approach of giving all staff half a day a week to work on their own innovations and personal development may be difficult to replicate, there certainly is room for more resources to be allocated to training and development. Career incentives should promote this by, for example, providing space for professional staff right up to the top echelons of donor agencies, or by implementing 'pay for knowledge' reward schemes.

While one-day workshops dominated by Powerpoint presentations have been highly valued by staff, this is often because of the networking space provided. In many cases, **skills development is needed in the form of 'peer-to-peer learning'** rather than a knowledge-transfer approach.

One possible mechanism is to fund more 'study visits' for national-level staff to visit other country offices to understand the dynamics of similar programmes in different contexts. Another key priority (that some agencies are already working on) is using exit interviews and mentoring to pass on tacit knowledge from experienced staff to those who have moved to a new posting. Another example comes from ADB's accreditation scheme for risk assessment, where this essential skill is taught through coaching, tutorials, 'master classes' and mentoring – culminating in examination and a case study test. Staff will place greater value on training if they are only accredited if they meet its requirements.

Conclusions

This paper does not offer a solution to all the learning problems in development agencies, or one single

model to be rolled out. We have outlined a series of small innovations that might not alter underlying issues and incentives fundamentally, but that demonstrate potential to deliver real improvements. Moves in this direction would be a sign that development organisations take the challenge of learning seriously, and that they will not simply follow the same cycles and mistakes of the past.

If real efforts are made to find comprehensive models of learning, development agencies could begin to make real progress on institutional innovation and effectiveness. However, in order to make a real 'step change' in evidence-informed decision-making, there are deeper underlying issues that have not been addressed here, and to which there are no clear answers. These issues represent clear themes from our studies, closely related to the three learning problems listed above. Future research should focus on finding practical ways to tackle these serious issues.

First, development agencies need to find ways to tackle the overriding incentive to 'get money out of the door', with staff often focused on ex-ante appraisal and releasing funds, rather than ensuring that programmes actually deliver change. Shifting accountability measures, approval processes and career incentives away from planning and design towards monitoring and evaluation is a step towards ensuring that interventions work in practice as well as on paper. Another way to improve evidence-based programming would be to find mechanisms that allow money to be carried over financial cycles to exploit only solid opportunities for good programming, or to allow sums to be placed 'in reserve' at budgetary allocation deadlines, to be ready when a more robust opportunity for programming emerges.

Second, agencies must find constructive ways to work in the environment of adversarial politics, where unsuccessful work is seen as a major embarrassment (with 'failures' rarely learned from and innovation stymied). Communication with the public about development needs to be more nuanced, building realistic expectations by conveying the complexity of change processes and the relatively small contribution that aid makes relative to other international flows. It is also crucial to be clear about the intended use of evaluation information: at present, there are hopes this will provide a 'public relations' function, accountability for money spent, and also solid programming advice.

Third, there must be provision for greater responsiveness to circumstances on the ground. Decentralising certain powers to country office level has been hailed as an effective measure in DFID (Gulrajani, 2011), and efforts to recruit more skilled staff to work on the 'front line' are long overdue. This foundation could be built upon by placing a higher value on geographic knowledge, and finding ways to increase the length of in-country postings. Central departments must reorient their work to support country offices, finding ways to work with, support and facilitate the national and regional level more robustly.

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