



FROM IMPACT MONITORING TO IMPACT ORIENTATION

For effective development and humanitarian aid



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INTRODUCTION

Non-governmental organisations (NGOs) want their project activities to make a positive impact. This goal forms an intrinsic part of their identity. But good intentions alone are not enough. In recent years, many VENRO member organisations have built up considerable capacities for outcome and impact orientation. They have changed their structures and processes to implement outcome and impact orientation on all levels and in all areas of the organisation. NGOs also encourage similar processes among their partner organisations in the countries of the Global South.

As an umbrella organisation, VENRO actively supports its member organisations in their efforts to implement outcome and impact oriented working methods. We hold training events, facilitate experience sharing via our impact orientation working group, and engage in professional debate.

The association and its members have learned a great deal in recent years through discussions about how to achieve outcomes and impacts. Even the choice of words reflects this point. In 2010, we were still talking about “impact monitoring”. We were primarily concerned with methods and instruments for monitoring and evaluation. At that time, the VENRO policy paper “Quality before Proof” triggered a discussion about the goals and orientation of impact monitoring in development cooperation. Through their engagement with outcome and impact orientation, VENRO members have learned that it is not simply a matter of monitoring, but also of a strategic orientation towards outcomes and impacts in all phases of project work. Outcome and impact orientation should form an integral part of the organisation’s management system.

What is impact orientation?

The [VENRO code of conduct](#) “[Transparency, organisational management and monitoring](#)” defines outcome and impact orientation as follows: “Outcome and impact orientation consists not only of measuring outcomes and impacts, but also refers to the organisation’s work methods and attitudes. Outcome and impact orientation comprises outcome and impact based planning,

monitoring and analysis as well as learning from impact analyses and evaluations.” [...] “Outcomes and impacts in this sense refer to the changes that can be attributed to the project or programme. They may be short-term, long-term, planned, unplanned, positive and negative.”

Alongside the usual goals of outcome and impact orientation, such as learning,

management, transparency and accountability, VENRO member organisations have other key objectives: the empowerment of target groups as well as participation and ownership by local groups. Outcome and impact orientation should therefore be designed to boost empowerment and self-efficacy for people in the projects. To achieve this, project staff and target groups should be integrated

into the organisational processes of outcome and impact orientation, and take ownership of the projects.

The goals of outcome and impact orientation in the work of NGOs are explained in detail in the [VENRO policy paper from 2010](#) “Quality before Proof”.

This policy paper summarises the experiences of VENRO member organisations with implementing outcome and impact orientation in their work. It is aimed at both NGOs and donor institutions,

particularly the German Federal Ministry for Economic Cooperation and Development and the German Foreign Office as they provide funding that supports the work of NGOs.

1. INCREASE FLEXIBILITY AND MAKE CHANGE THE NORM

NGOs in the North and South often find during the course of a project – via impact monitoring – that their original plans are not working out. To reach their goals, project managers therefore have to abandon or change paths that were initially planned and have already been taken.

NGOs still frequently fail to adapt to changed circumstances. There are both internal and external reasons for this. Within NGOs, there is sometimes a belief that making changes in the project could cast a negative light on those in charge of planning, or on the NGO as a whole. Project teams are afraid of looking unprofessional if they bother donor institutions with change requests during the project term. Sometimes NGOs are also put off by the amount of bureaucracy involved in making changes.

Funding stipulations imposed by donor institutions are often rigid, making it more difficult for NGOs to be as flexible as they need to be. Long drawn-out decision-making and coordination processes can impede or delay project success. NGOs should explain and justify strategy changes, but they should not be held up by cumbersome, time-consuming application processes when they need to adapt their activities and strategies. In some cases, this inflexible approach results in donor institutions funding the agreed activities but not achieving the agreed outcomes and impacts.

The same applies to budget planning. To allow project adjustments, it must be possible to use funds flexibly. Small NGOs in particular rarely have the financial resources to prefinance

necessary changes until a change request is approved. Moreover, they cannot take the financial risk that funding for the modified measures may not be approved.

When it comes to reporting, this means less attention should be given to measures that have been carried out. Reporting should instead focus primarily on the results of the project strategy and the achieved outcomes and impacts.

Tools for outcome and impact oriented working

In many organisations, the **theory of change** has proven to be one of several suitable approaches for outcome and impact oriented working. Using the theory of change, project teams can produce an outcome and impact model in which they set out in detail and constantly review the path from project activities to the project goal. This outcome and impact model goes beyond the linearity of previous such models. With the theory of change approach, before the project begins, project teams no longer only describe what they are doing, but also how they expect this to work and why. The theory of change shows how and why the project actually contributes to economic, environmental or social change.

Adaptive management can be a useful tool that enables NGOs to deal flexibly

Recommendation to the German Federal Ministry for Economic Cooperation and Development and German Foreign Office:

→ VENRO calls on the donor institutions to allow greater flexibility. Funding should be focused on the project outcomes and impacts. The donor institutions should transfer decision-making powers for activity and strategy adjustments, including budget adjustments, to the project-executing organisations.

with changes and respond to changing political or environmental conditions. The adaptive management approach essentially focuses on rapid learning processes, flexible implementation, and more delegation of decision-making at local level. Under this approach, the question “Are we doing the right thing to reach our goals?” comes before the question “Are we taking the steps we planned to take?”

In the context of emergency measures and fast-changing circumstances, so-called **real-time evaluations**, are increasingly proving to be a useful project monitoring tool. Real-time evaluations focus on implementation, rapid learning and the adaptation of activities and project strategies. They are a particularly fast way for project teams to assess implementation, learn quickly, and adapt the project to changing conditions.

2. ENABLE LONG-TERM PROJECTS

Through their projects, NGOs often aim to put sustainable structures in place and change attitudes and behaviour. Changes of this kind take time. To achieve and demonstrate long-term impacts on the target groups, long-term partnerships and longer project periods or successive project phases of up to twelve years are necessary. It should therefore be possible to consider and plan at least two follow-up project proposals from the beginning of the project onwards. The outcome and impact matrix and corresponding horizon should also be adapted to the up to twelve-year project duration from the outset.

Recommendation to the German Federal Ministry for Economic Cooperation and Development (BMZ) and German Foreign Office:

→ VENRO calls on the donor institutions to facilitate the funding of long-term projects.



3. EMPHASISE APPROACHES BASED ON PARTNERSHIP AND PARTICIPATION

NGOs encourage their partner organisations in the South to develop and pursue their own understanding of outcome and impact orientation. It has proven to be useful for target groups to define their own expectations about project outcomes and impacts, and say how they will know whether these outcomes and impacts have been achieved. Therefore, for VENRO member organisations, the following questions are essential: How do the project's target groups see the outcomes and impacts? What changes for them? And above all, what do they want to see changed?¹

At the same time, there has been a greater focus on NGO reporting and accountability in recent years. This focus has come about in part as a result of the aid effectiveness debates, but also because of increasingly critical enquiries from the public. NGOs are called upon to report on the outcomes and impacts of their work, and to demonstrate their successes. They use quantitative and qualitative indicators for this purpose, and it can be helpful to use standardised indicators. A standardised indicator is one which has a common definition and is used consistently in multiple projects or programmes in a particular field, sector or region. Furthermore, its data must be collected using the same method. The advantage of standardised indicators is that they do not have to be developed from scratch for each project, and they record changes in the same

aspects. Standard indicators can reveal trends and therefore be a useful addition to outcome and impact monitoring – especially if the target groups also consider them to be useful.

However, a given standard indicator may conflict with the participative approach. It could weaken target groups' participation and empowerment. Standard indicators convey the impression that the donor institutions or NGOs know what changes are best for local communities. This reinforces the imbalance of power between Northern NGOs and their partner organisations. NGOs therefore need to be able to decide for themselves whether to use standard indicators, depending on the situation.

Recommendation to the German Federal Ministry for Economic Cooperation and Development (BMZ) and German Foreign Office:

→ VENRO calls upon the donor institutions to refrain from making standard indicators a requirement for project funding.

Relevant international processes

In line with governmental aid effectiveness agendas of recent years, civil society organisations around the world have published principles and guidelines setting out what can be expected of them in terms of working efficiently and implementing effective projects. In VENRO's work, this is reflected for example in the [VENRO guiding principles for developmental projects](#)

¹ For example, with the involvement of VENRO, the "NGO IDEAS" project developed tools and methods for impact monitoring and evaluation that are attuned to the participative and open values of NGOs.

and programmes which are based on the Istanbul Principles elaborated by the CSO Partnership for Development Effectiveness. This international platform for civil society organisations, mainly from the Global South, has strongly influenced VENRO's examination of and engagement with outcome and impact orientation. In Istanbul, following a two-year global debate, NGOs agreed on eight "development effectiveness principles" in 2010. The Istanbul Principles are quality principles for development processes and practices, which VENRO has adopted in its guiding principles for developmental projects and programmes. They are an expression of the basic understanding shared by all VENRO members.

In humanitarian aid, too, existing quality standards have been revised in a broad international consultation process, and are summarised in the Core Humanitarian Standard (CHS, 2014). This sets out nine commitments that NGOs can use to improve the quality and effectiveness of assistance they provide to communities and people affected by crisis. To a limited extent, the CHS also describes outcomes and impacts, for example in terms of strengthening resilience and the importance of participatory project approaches. It is recognised by local and international humanitarian NGOs, the International Red Cross and Red Crescent Movement, and the United Nations.

4. PROMOTE TRAINING AND BUILD KNOWLEDGE

Over the past ten years, many NGOs have placed greater emphasis on outcome and impact orientation in their own organisations. They have set up monitoring and evaluation units, for example, or modified application and reporting formats for their partnership projects. NGOs invest a great deal of time and money in training their staff – both in Germany and in local partner organisations. Learning processes take place in concert with the research community, governmental organisations and other NGOs, and should be expanded further in the future.

Outcome and impact orientation in NGOs requires a willingness to embrace continuous learning on the part of staff members and partner organisations. They have to be able to assess what is happening in projects and in their environment, respond to new developments, and work out appropriate changes. Project managers both shape events with their plans and are inspired by events to devise new plans. Not every NGO employee in the North or South is adept at these management tasks. Therefore, to implement outcome and impact orientation in their organisations, NGOs must provide financial and personnel resources for training.

Once a project has been completed, NGOs and their partner organisations in the Global South should know what impacts the project's achievements continue to have. This requires time and money beyond the end of the project, for example to carry out ex-post evaluations.

Recommendation to the German Federal Ministry for Economic Cooperation and Development (BMZ) and German Foreign Office:

→ VENRO calls on the donor institutions to finance NGO staff in Germany who facilitate outcome and impact oriented project monitoring with the partner organisations. To this end, the donor institutions must make allowances in their funding for training and boosting the capacities of German NGOs in respect of outcome and impact orientation.

The importance of evaluations in outcome and impact orientation

Since the VENRO policy paper on impact monitoring (“Quality before Proof”) was published ten years ago, it has become clear that the most rigidly demanding methods and evaluations are not necessarily the most effective. In particular, this applies to so-called **rigorous impact evaluations**. Their rigorous methods, including control groups that do not form part of the project, should be viewed critically in terms of cost and effort versus benefit. Furthermore, such methods neglect key working principles such as empowerment, ownership and shared learning. Most actors today employ a mix of methods. Rigorous impact evaluations are one approach among several whose benefits for NGOs are often limited. They tend to be used rarely, for example when NGOs want to study the effectiveness of particular project approaches.

Nevertheless, evaluations are an important part of an outcome and impact oriented work method. They enable NGOs to learn, and can help to improve the quality of

their work. During the course of projects, **interim evaluations** can be very useful for steering projects in the desired direction. Depending on the context, questions being asked and financial resources, the people carrying out the project can conduct the evaluations themselves, and incorporate the findings into future planning processes. **Final evaluations** and the resulting recommendations can encourage further action by target groups, but mainly serve the NGO learning process. They also serve to demonstrate accountability to donors, the public and donor institutions.

For NGOs to make use of the findings and recommendations from individual evaluations, they need to be able to analyse the quality of data, methodological weaknesses, and informative value of those evaluations. **Meta-evaluations** help them to do so. International institutions and scientific institutes in particular seek to promote learning beyond an individual project by means of **systematic reviews**. These reviews provide a scientific analysis of many high-quality evaluations,

and a summary of the findings. So far, unfortunately, these analyses have been

of little use to NGOs because they are not sufficiently practice-oriented.

5. USE DIGITALISATION RESPONSIBLY

Digitalisation brings opportunities and risks for outcome and impact orientation. It makes it easier for German NGOs to communicate with their partners in the Global South. They can collect and pass on information about project activities more quickly. Virtual learning allows partners and target groups to be reached in different ways than ten years ago. Mobile applications (apps) can be used for monitoring. All project participants worldwide can work with digitally collected information simultaneously.

But software or data analysis tools only benefit NGOs if the users understand them, and how to use them productively. VENRO observes a trend towards standardised data collection. However, the collected data is only valuable and meaningful if it has been comprehensively analysed in context. To evaluate data in a meaningful way, a variety of requirements must be considered. There is a danger of creating “data graveyards”, since even the best software cannot comprehensively analyse data by itself. NGOs in the North and South should therefore think about what data they really need before deciding to acquire a particular software package or solution. In participative approaches, NGOs and their partners can work out together how the target groups will use the digitally collected data, and how they can be included in the analysis.

In countries where civil society’s scope for action is restricted, communication via the internet creates new dangers for project participants. Especially NGOs that are politically active need to weigh up the use of digital tools for outcome and impact orientation, and should inform themselves about secure communication channels and measures to protect sensitive data. In particular, they should check data protection regulations and server locations to protect data from misuse.

It is foreseeable that data collection, processing and analysis will be increasingly digital in the future. Algorithms will be used for these purposes, but how they work is sometimes not transparent. There is a danger that they could be based on certain assumptions which may be discriminatory. It is not yet fully clear what this development means for outcome and impact orientation, or what effects digitalisation will have on working methods or on project development and implementation. What is certain is that NGOs, together with other development actors, will have to contend with these issues in order to counteract negative effects in project work as far as possible.

Recommendation to the German Federal Ministry for Economic Cooperation and Development (BMZ) and German Foreign Office:

- Where data is processed and managed, privacy rights and human rights must be respected. VENRO calls on the German Federal Ministry for Economic Cooperation and Development (BMZ) and German Foreign Office to enter into dialogue with German civil society on this issue. The human rights risks of digital data processing and data management, and possible solutions for project work, should be discussed jointly.
- NGOs should be given financial support to enable them to utilise the potential of digitalisation in their work.

The principle of “leave no-one behind” and requirements for outcome and impact orientation

Die Sustainable Development Goals (SDG)
The United Nations Sustainable Development Goals (SDGs) are formulated in an impact-oriented way in the 2030 Agenda for Sustainable Development: each of the goals is provided with indicators so that the impacts achieved can be measured. The overriding principle of the SDGs – “leave no-one behind” – is particularly important with regard to outcome and impact orientation. If NGOs take this principle seriously, they must aim to have an impact on marginalised groups. This changes not only the project planning but also the impact monitoring, because disaggregated data must be collected in order to pay special attention to impacts on marginalised communities.



6. TAKE ACCOUNT OF CIVIL SOCIETY'S SCOPE FOR ACTION

NGOs are concerned that states around the world are restricting civil society's scope for action (shrinking spaces). Repressions include smear campaigns, arbitrary arrests and physical, sexual and psychological violence. Civil society organisations are subjected to legal and bureaucratic obstruction and harassment. Laws such as anti-terrorism laws or security, internet and media laws as well as other criminal laws are used as a pretext.

Shrinking spaces make outcome and impact orientation difficult. Joint project planning and evaluations can sometimes only be carried out in a disguised form, because staff in the partner organisations cannot speak openly about human rights or human rights violations. Many projects cannot be implemented as planned, and partner organisations increasingly have to resort to hiding projects behind other activities – especially projects that seek to achieve political change. German NGOs must assess the risk that their partners incur for themselves and others when carrying out project activities, and put people's safety first.

Rapidly changing conditions in fragile states and conflict regions also make project planning and impact monitoring more difficult, and hamper cooperation with partner organisations. NGOs are often unable to meet with local actors and target groups. Approaches such as remote monitoring make it possible to obtain information on a project's effectiveness, even in fragile contexts. However, the safety of local partners and actors must come first. In such contexts, it is frequently impossible to record all measures, outcomes and impacts in writing in project proposals or reports.

Recommendation to the German Federal Ministry for Economic Cooperation and Development (BMZ) and German Foreign Office:

→ VENRO calls on the donor institutions to recognise shrinking spaces and the resulting consequences for outcome and impact oriented ways of working. Together with civil society, solutions must be found that make it possible to continue to support politically active NGOs in these contexts.

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 Apotheker ohne Grenzen e.V.
 Arbeiter-Samariter-Bund Deutschland
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 Deutschland (agl)
 Arbeitsgemeinschaft Entwicklungsethnologie
 arche noVa
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 ASW – Aktionsgemeinschaft Solidarische Welt
 AT-Verband
 AWO International

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 Brot für die Welt – Evangelischer Entwicklungsdienst
 Bund der Deutschen Katholischen Jugend (BDKJ)
 Bundesvereinigung Lebenshilfe

C

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 Caritas International
 Casa Alianza - Kinderhilfe Guatemala
 CHANGE e.V.
 ChildFund Deutschland
 Christliche Initiative Romero
 Christoffel-Blindenmission Deutschland

D

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 (DEAB)
 Das Hunger Projekt
 DED-Freundeskreis
 Deutsche Entwicklungshilfe für soziales Wohnungs- und
 Siedlungswesen (DESWOS)
 Deutsche Kommission Justitia et Pax
 Deutsche Lepra- und Tuberkulosehilfe (DAHW)
 Deutsche Stiftung Weltbevölkerung (DSW)

Deutscher Paritätischer Wohlfahrtsverband Deutsch-
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 DGB-Bildungswerk BUND – Nord-Süd-Netz
 Difäm – Deutsches Institut für Ärztliche Mission
 Don Bosco Mondo
 DVV International – Institut für Internationale
 Zusammenarbeit des Deutschen Volkshochschul-
 Verbandes

E

Eine Welt Netz NRW
 EIRENE – Internationaler Christlicher Friedensdienst
 EMA – Euro-Mediterranean Association for Cooperation
 and Development
 EPIZ – Entwicklungspolitisches Bildungszentrum Berlin
 Erlassjahr.de – Entwicklung braucht Entschuldung
 Evangelische Akademien in Deutschland (EAD)

F

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 Forum Fairer Handel
 FUTURO SÍ

G

Gemeinschaft Sant' Egidio
 German Doctors
 German Toilet Organisation
 Germanwatch

H

Habitat for Humanity Deutschland
 Handicap International
 Help – Hilfe zur Selbsthilfe
 HelpAge Deutschland Hilfe für Afrika e.V.*
 Hoffnungszeichen / Sign of Hope
 humedica

I

Indienhilfe
 INKOTA-netzwerk
 Internationaler Bund (IB)
 Internationaler Hilfsfonds
 International Justice Mission Deutschland
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 Internationaler Verband Westfälischer Kinderdörfer
 Islamic Relief Deutschland

J

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Johanniter-Auslandshilfe

K

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KATE – Kontaktstelle für Umwelt und Entwicklung
Kinderhilfswerk Stiftung Global-Care*
Kindernothilfe
Kinderrechte Afrika
KOLPING International Cooperation e.V.

L

Lateinamerika-Zentrum
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M

Malteser International
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materia – Stiftung Frau und Gesundheit
medica mondiale
medico international
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Mission East Deutschland e.V.*
Missionsärztliches Institut Würzburg

N

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Neuapostolische Kirche-karitativ e.V.
nph Kinderhilfe Lateinamerika e.V.*

O

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OIKOS EINE WELT
Opportunity International Deutschland
Ora International Deutschland
OroVerde – Die Tropenwaldstiftung
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P

Plan International Deutschland

R

Rhein-Donau-Stiftung

S

SALEM International
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Senior Experten Service (SES)
Society for International Development Chapter Bonn (SID)
SODI – Solidaritätsdienst International
SOS-Kinderdörfer weltweit*
Stiftung der Deutschen Lions
Stiftung Entwicklung und Frieden (SEF)
Stiftung Kinderzukunft
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Weltgebetstag der Frauen – Deutsches Komitee
Welthaus Bielefeld
Welthungerhilfe
Weltladen-Dachverband
Weltnotwerk der KAB Deutschlands
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Werkstatt Ökonomie
World University Service
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VENRO currently has 138 members. (As of March 2020)



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VENRO is the umbrella organisation of development and humanitarian non-governmental organisations (NGOs) in Germany. The association was founded in 1995 and consists around 140 organisations. Their backgrounds lie in independent and church-related development co-operation, humanitarian aid as well as development education, public relations and advocacy.

VENRO's central goal is to construct a just globalisation, with a special emphasis on eradicating global poverty. The organisation is committed to implementing human rights and conserving natural resources.

VENRO

- represents the interests of development and humanitarian aid NGOs vis-à-vis the government
- strengthens the role of NGOs and civil society in development co-operation and humanitarian aid
- engages in advocacy for the interests of developing countries and poorer segments of society
- sharpens public awareness of development co-operation and humanitarian issues

VENRO – Association of German Development and Humanitarian Aid NGOs

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