the application of evaluation : an institutional perspective

ashwani vasishth
Bachelor of Architecture
School of Planning and Architecture
New Delhi, India
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Signature of the Author

Ashwani Vasishth
Department of Architecture
May 15, 1987

Certified by

Nabeel Hamdi
Professor of Architecture
Thesis Supervisor

Accepted by

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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>:what it's all about</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>METHODOLOGY</td>
<td>: how it happened</td>
<td>4</td>
</tr>
<tr>
<td>PREAMBLE</td>
<td>: why it is the way it is</td>
<td>8</td>
</tr>
<tr>
<td>THE DISCUSSIONS</td>
<td>: what it has to say</td>
<td>10</td>
</tr>
<tr>
<td>-interview # 1</td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>-interview # 2</td>
<td></td>
<td>14</td>
</tr>
<tr>
<td>-interview # 3</td>
<td></td>
<td>22</td>
</tr>
<tr>
<td>-interview # 4</td>
<td></td>
<td>28</td>
</tr>
<tr>
<td>-interview # 5</td>
<td></td>
<td>39</td>
</tr>
<tr>
<td>-interview # 6</td>
<td></td>
<td>42</td>
</tr>
<tr>
<td>-interview # 7</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>-interview # 8</td>
<td></td>
<td>55</td>
</tr>
<tr>
<td>-interview #9</td>
<td></td>
<td>59</td>
</tr>
<tr>
<td>-interview #10</td>
<td></td>
<td>63</td>
</tr>
<tr>
<td>CONCLUSIONS</td>
<td>: what it means</td>
<td>72</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>: where it all began</td>
<td>79</td>
</tr>
</tbody>
</table>
the application of evaluation: an institutional perspective

by

ashwan vasishth

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ABSTRACT:

The heart of this thesis is an interpretive rendition of a series of interviews conducted in various departments of the World Bank and the U.S. Agency for International Development. These presentations are neither formatted as quotations nor as excerpted transcripts. They most definitely are not a 'reporting exercise'.

They are a composite of very many things. Besides my personal interpretations of the interviews, they include random snatches excerpted from conversation between the respondent and colleagues who would pop their heads around the door during the discussions, inferences drawn from telephone conversations that interrupted interviews, observations drawn from the way in which different people interpreted the basic scenario I presented them with at the start and how they chose to develop the subsequent discussion, and inferences made about what people were actually saying and what they really meant.

To that extent, at least, this part of the thesis is a personal account of a journey through these two organizations. It is an image gleaned, nothing startling in itself perhaps, but none the less a record of a passage through the labyrinthine corridors of two international development agencies engaged in the field of funding Urban shelter programs in developing countries.

Essentially it is structured in three parts. The first introduces the origins of this thesis and discusses some aspects of the "quantitative-qualitative" debate that purports to exist in evaluative theory, arguing for a 'middle of the road' resolution. The second part of the thesis is a presentation of my interpretations of the discussions that I had at the Bank and at AID. This is presented more in the nature of a soliloquy, with an attempt to put myself in the place of the interviewee, and resay what they said if I had had said it. The concluding part then takes a brief look at the theory behind institutional learning, and attempts to pull out some of the issues that came out of the interviews, so as to come to a 'conclusion', not necessarily a conclusive conclusion, but a presentation of the issues residual in my mind at the end of this process.

This thesis has it's starting point in an interest in the field of evaluation. In the process of enquiry into this field, in it's relationship to aspects of development and shelter and the interventions driven primarily by international funding agencies, certain shifts in perspective occurred. The initial focus of the enquiry was intended to be on the various techniques of evaluation, with the intention of
probing, first, for potential linkages between these techniques and the various housing strategies I believed had been espoused over time by international donors. Secondly, it was originally intended to seek to juxtapose the quantitative-qualitative debate, and to enquire into the relative worth, effectiveness, and contextual appropriateness of each. And finally, it was seen as a vehicle to explore the myriad issues that surround the reality that is the act of project evaluation.

In the process of delving into the labyrinthine corridors of the field, two things happened. First came the realization, that technique, per se, is a meaningless phenomenon. It does not matter how its done, what matters is why and for what purpose. In that sense, at least, the end became more important than the means. It was realized that the primary consequential reason for evaluation was to learn lessons. Or conversely, that the only way to learn lessons was through some process of evaluation, however it may be defined. This realization was followed by a quick dip into literature on the various theories of organizational learning. But soon enough, given the esotericity and jargon that veils much of such literature, I was led to question the purpose of institutional learning itself, which was seen to be to improve the long term performance of the organization. This shifted the focus of the thesis to the issue of organizational effectiveness.
INTRODUCTION.

This thesis has two distinct points of origin. In the first place, there was my own interest with the field of evaluation in the context of shelter interventions in developing countries. I began with an enquiry into the various techniques of evaluation, the purposes for which organizations conduct evaluations, the implications of such evaluative activities such as the relationship between the cost and the worth of evaluation studies, and most important, the quantitative-qualitative technique debate.

On the other hand, I began with an impression gained over the past two years through courses, seminars, workshops and discussions with faculty here at M.I.T., that there had been an evolution over time of the strategies espoused, in the field of shelter, by international agencies such as the World Bank and the U.S. Agency for International Development.

The reason why I was more interested in looking as such organizations, as opposed to some locally based implementation agency, was precisely because they were not locally based. And it seemed to me that, being remote from their actual spheres of operation, moving in and out of contexts, having a perspective that was global rather than regional, somehow the criticality and worth of evaluations would have to have greater weight in order for them to operate effectively.

The image I carried in my mind was that organizations such as these had, firstly, moved in some sort of sequential way from initially supporting finished public housing, to sponsoring core housing, to advocating sites and services, to slum and squatter upgrading, to unserviced site development, and then on to activities such as technical assistance programs, institution building, municipal training and finance, privatization, policy reform and culminating currently in a focus on urban land management and sector loans, to the exclusion of previous strategies. One of the statements that stuck in my mind was that the Bank, today, would not look sideways at a sites and services project, that it was a "bad word" with them.
The conception I had when I began to construct this thesis was that there had been an evolution of strategies over time, which was a product of lessons learnt, that there had been basic changes in policy and attitudes, an organizational evolution in fact.

At the same time I also had in mind a parallel scenario in the field of evaluation, where I believed that there had been a similar movement from the number-crunching sort of techniques such as operations research, cost-benefit analysis, and other hypothetico-deductive paradigms, towards a more holistic-inductive approach characterized by the broad field of qualitative evaluation, consisting of the anthro-ethno-sociological techniques of observer participation, of participant observation, of open ended interviews and so on. In short I believed that both in the field of shelter intervention and in the field of the evaluation of such projects, there had been a parallel, and possibly related movement towards the increasing despecification of the end-result on an a-priori basis, or a de-prespecification of goals and outcomes and objectives.

I became curious about the possibility of any potential linkages between the two streams. Had one been influenced to any degree by the other, were there any connections between the two, and if there were, could it be inferred that the type of evaluation techniques in use in the field of shelter interventions were in some way driven by, or linked to, the shifts in strategies of intervention. Was there a possible linkage in these apparently concurrent streams of development, and if so what would be the potential effects of such a de-prespecification on the act of evaluation as it pertained to the fact of organizational learning.

If, in initiating a project one leaves the goals open-ended, as for instance in the case of the action planning mode of operation, can one go in subsequently to conduct a goal-free or open-ended evaluation of the program and draw generalizable and substantially applicable lessons from two such non-prespecified activities. Could organizations draw useful lessons for future use under such overall conditions of uncertainty, or would their effectiveness in the near future be impaired by these hypothesised developments.

This, of course, led me to the relativistic question of how effectively such organizations had used evaluations in the past to draw applicable lessons from previous projects. Did, in
fact, the formal evaluations they had been conducting contribute to policy and strategy shifts. If they did, what were the organizational linkages and internal mechanisms by which such lesson learning occurred. What were the controlling factors in enhancing organizational effectiveness. And how would these linkages, mechanisms and factors be affected by such a shift towards open-endedness. At this point I realized that I had moved the focus of my thesis from a comprehensive study of the implications and the relative merits and demerits of quantitative versus qualitative evaluation techniques and their potential relationships to the evolving stream of shelter intervention strategies, to the issue of organizational learning, and from there to questions about what drove, enhanced or constrained the operational effectiveness of donor institutions.

I began, initially, by setting up a linear stream model of the three, inasmuch as I believed that evaluations led to learning which, in turn, controlled effectiveness. But I then began to wonder if the relationship, as it stood, may not be over-simplistic. Perhaps such a rational-logical model was inadequate. Would it be more realistic to switch to the 'lateral thinking' mode, as presented by De Bono, and envisage a more multiplex, multiplanar relationship that might well prove to be more appropriate.

But it was a field of uncertainty. I had no way of knowing either how close theory and practice were in reality, nor what the applicational relevance of such an enquiry might be. The question foremost in my mind was that even if I could come to some 'academic' conclusion about these issues, did it really matter.

So I decided that I would have to go out there and find out what the people actually involved in these activities thought about the relevance of this relationship.
**METHODOLOGY.**

There was once a man who lived in a country which had no fruit trees. This man was a scholar and spent a great deal of time reading. In his readings he often came across references to fruit. The descriptions of fruit were so enticing that he decided to undertake a journey so that he could experience fruit for himself.

He went to the market and asked everyone he met if they knew where he could find fruit. After much searching he located a man who knew the directions to the country and place where he could find fruit. The man drew out elaborate directions for the scholar to follow.

With his map in hand, the scholar carefully followed all of the directions. He was very careful to take all the right turns and to check out all of the landmarks that he was supposed to observe. Finally, he came to the end of the directions and found himself at the entrance to a large apple orchard. It was springtime and the apple trees were in blossom.

The scholar entered the orchard and proceeded immediately to take one of the blossoms and taste it. He liked neither the texture of the flower nor the taste. He went to another tree and sampled another blossom, and then another blossom, and another.

Each blossom, though quite beautiful, was distasteful to him. He left the orchard and returned to his home country, reporting to his fellow villagers that fruit was a much over-rated food. Being unable to recognize the difference between the spring blossom and the summer fruit, the scholar never realized that he had not experienced what he was looking for.

From *THE PARABLES OF MULLAH NASSIRUDDIN SHAH.*

The last thing I wanted to do was to set up a questionnaire, to predetermine the direction the interviews should take. There were two reasons for this. Firstly, I intended to interview a cross-section of people at the Bank and AID, at different levels, in different positions, with different mind-sets, so that I could get a holistic impression of organizational opinions. Secondly, there were so many ambiguities in my mind that I could not decide what may or may not be significant.

I could, of course, have taken a random, if uninformed, decision to focus in on one or two apparently essential points, but I decided to approach the interviews in an exploratory state.
of mind, and first see what they had to say. I decided that, not knowing these people, where they came from, what their backgrounds and experiences were, perhaps I should go in there, lay out a skeletal scenario for them, give them a minimal idea of where my enquiry was emanating from, the least necessary background information, and then play each interview by the ear.

The essence of the qualitative mode of research, after all, is to not begin the enquiry with a well formulated rational-deductive hypothesis that one then goes out to test. Of course there has to be some form of structure to the enquiry, but this is more in the nature of a general interest in an issue. It could even be a very tightly structured hypothesis that one formulates at the start, but on entering the actual field of enquiry, one needs to revert to a state of mind that precludes preconceptions that might bias or color the sort of questions one asks, or the interpretations one makes.

One needs to maintain an almost child-like outlook that enables one to transcend the initial focus of the enquiry, to flow with the streams of information that impinge themselves on the enquirer during the course of the enquiry, to respond to the respondent rather than to lead him up the path you have already mapped out in your mind. At all costs one must avoid, or at least try to avoid, the quicksand trap of 'the loaded question'.

Human nature being what it is, people will, up to a point at least, tend to tell you what they think you want to hear, to convey to you a picture of themselves or their view on issues that they feel will show them up in what they think you think is the best light. 'The truth' is a very elusive concept, subject to much interpretation and personal perceptions. Not only does one person's vision of reality differ from another's, the same person's perceptions of what is correct or right or true will vary from one situation to another.

My whole approach to the interviews I conducted at the Bank and at AID, to the manner in which I present them here, grows out of this sort of mindset. This in turn is the product of three influences. Partly it is the result of my readings into qualitative evaluation and open ended interview techniques, partly a result of my experiences with radio journalism (where one has to go out, often at the spur of the moment, to record an event or activity that one may have little personal knowledge of, and hence no preconceptions about), and partly a
result of my own past experiences both in filling in and in setting up the conventional yes-no or scale-of-five type of questionaires.

The cut and dried, black and white approach of such enquiries has always left me dissatisfied. When I fill in such a survey or opinion poll, I always get the feeling that what my answers convey is never what I really feel. Most of the time I feel tempted to either answer yes-but or no-but or even yes-and-no-but. Patton, in his Qualitative Evaluation Methods, illustrates this point very strongly with two different evaluation studies of a newly implemented system of accountability in the school system in Kalamazoo, Michigan, where the results of two different parts of a study, one using a standardized criterion performance format and the other using open ended questions, had dramatically different effects upon the authorities who wished to use the evaluation. It was easy for them to rationalize a rejection of the findings of the former, but when faced with the latter they had to accept the real implications of the program.

When I collate data from questionnaires that I have designed, I always wonder what the respondent really meant. The drawback of qualitative evaluation is, of course, that it generates the sort of information that does not lend itself very easily to statistical manipulations. But if one seeks a holistic picture of a particular world, when one adopts the doctrine of verstehen, when the issue is understanding, what price numbers? For 'truth' is a many-faceted phenomenon that must be seen to be seen if it is to be seen at all, else it will never be seen.
Ask.
Listen and record.
Ask.
Listen and record.
Ask.
Listen and record.
It is a privilege to listen. To ask is a grave responsibility.
Evaluators, listen.
Do you not know that you shall be evaluated by your questions?
To ask is to seek entry into another's world.
Therefore ask respectfully and with sincerity. Do not waste questions
on trivia and tricks, for the value of the answering gift you
receive will be a reflection of the value of your question. Blessed are
the skilled questioners, for they shall be given mountains
of words to ascend.
Blessed are the wise questioners, for they shall unlock hidden
corridors of knowledge.
Blessed are the listening questioners, for they shall gain perspective.

From Halcolm's Evaluation Beatitudes. (Patton, 1980).
PREAMBLE

The heart of this thesis, as it now stands, is an interpretive rendition of a series of interviews conducted in various departments of the World Bank and the U.S. Agency for International Development. These presentations are neither formated as quotations nor as excerpted transcripts. They most definitely are not a 'reporting exercise'.

They are a composite of very many things. Besides my personal interpretations of the interviews, they include random snatches excerpted from conversation between the respondent and colleagues who would pop their heads around the door during the discussions, inferences drawn from telephone conversations that interrupted interviews, observations drawn from the way in which different people interpreted the basic scenario I presented them with at the start and how they chose to develop the subsequent discussion, and inferences made about what people were actually saying and what they really meant.

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Essentially it is structured in three parts. The first introduces some aspects of the "quantitative-qualitative" debate that purports to exist in evaluative theory, arguing for a 'middle of the road' resolution. The second part of the thesis is a presentation of my interpretations of the discussions that I had. This is presented more in the nature of a soliloquy, with an attempt to put myself in the place of the interviewee, and resay what they said if I had said it. The concluding part then takes a brief look at the theory behind institutional learning, and attempts to pull out some of the issues that came out of the interviews, so as to come to a 'conclusion', not necessarily a conclusive conclusion, but a presentation of the issues residual in my mind at the end of this process.

The single most significant thing about this thesis is probably the fact that it does not begin with a set of hypotheses that it then seeks to test. The research on which this thesis rests
is conducted in the spirit of open minded enquiry. I had attempted, at the start, to structure a researchable hypothesis, in the rational-logical hypothetico-deductive mode. I found that to be a very difficult process for me. I could not convince myself on the appropriateness or validity of such a mode of enquiry. Thus it was that I approached the interviews that I had conceived of as a source for potential hypotheses. I had hoped that, somehow, they would show me the way towards rationally structuring my thesis. I found, instead, a beehive of issues that I now feel compelled to present exactly as they registered upon me, in the hope that they would serve as building blocks, both for myself and possibly for others, in future research.

There is certainly more to the presentation of these interviews than will probably meet the eye. They are the product of considerable research, both into developmental literature in the field of shelter and in the fields of qualitative and quantitative evaluation techniques. It most certainly is most strongly influenced by researches into qualitative evaluation literature. Much as I would have liked to include some inkling of the whole world that has opened up for me as a result of my enquiry, I regret that, for myself, I must leave that for some other venture, and for the reader, well, the spirit of enquiry lives on. In our minds, if nowhere else. I can only hope that the mode in which the interviews are presented will suggest, to some extent at least, the depth of the vision on which I believe they are built. For the rest, I think they must speak for themselves, both as an evaluation of a field and as a source of insight into the ramificated workings of the organizational mind.
HALcolm’s evaluation laws.

on conceptual issues in qualitative evaluations........
- Conceptualizing an evaluation depends on understanding self-interest: yours and theirs. Useful evaluations put theirs first. Then there are the others..........
- Hennes’ Lament: Evaluators do it under difficult circumstances.
- The scientific status of a methodological approach has nothing to do with its appropriateness. And vice versa.
- Evaluation is too serious a matter to be done by someone who has never been a client in a program.
- An evaluation not worth doing is not worth doing well.

on strategies and research designs........
- Evaluation results always make clear to people what they had really wanted to know but forgot to ask.
- Every evaluation serves a purpose, even if it is only to be a horrible example to others.
- The perfect evaluation design isn’t.

on collecting qualitative data........
- Always be suspicious of data collection that goes according to plan.
- Research subjects have also been known to be people.
- The evaluator’s scientific observation is some person’s real-life experience. Respect for the latter must precede respect for the former.
- Evaluators must be presumed guilty until proven innocent.
- Make sure, when you yield to temptation in the field, that it appears to have something to do with what you are studying.
- Always carry extra batteries and getaway money.
INTERVIEW #1.

on learning lessons............

It is not enough for the Bank to learn lessons from its projects. There are other actors in the process, both local institutions and private organisations who must agree with the lessons learnt before effective action can be taken. After all the World Bank is not an implementation organization.

on building consensus............

There is an international community of knowledge that grows beyond the Bank, and consensus must grow throughout this community before it can be effective. It cannot be an isolated internal process.

For example, in Indonesia, the approach adopted was to get them to conduct the studies that led to the drafting of the TOR. This had two advantages: first, it helped build local expertise; second, it helped eliminate internal preconceptions, and helped us to learn from them as much as we were trying to pass on our body of knowledge to them.

One of the Bank's tasks has to be to initiate the formation of, and the consolidation of, an international consensus.

on the transfer of Information............

Within the Bank, the most effective way real information gets transmitted, is by personal contacts, informal networking, word of mouth.

The circulation of the Appraisal Reports is, in itself, not very important. Informal communications are much more effective than official memos. "When a report crosses my desk, and I feel I have something important to say, I would never write a memo about it, but would call up the person concerned and meet over lunch, or write the person an informal note making my point. If I used formal memos, it would either get lost in the network, or get shelved."

The problem with the formal review process is that it is, by its nature constrained. Not only is there the problem of the time lag, which ineffectuates it, but there is also a high
cost tag built into the process.

The dissemination of information, or beliefs, of such nature may be done through very many ways. In working with local institutions, one can push one's point of view. One publishes papers, both in publications within the Bank and in outside publications, giving details of such results in the hope that it will lodge within the international body of knowledge.

on the nature of change............
Within the Urban Division at the Bank, changes are most often incremental in nature. Few things fall out of the sky. Shifts are normally marginal, to the extent that occasionally it could be just a change in the name of a particular strategy or approach. Certainly, there are very few drastic shifts in direction.

It is not important to come up with pathbreaking ideas. Most of what is said within the Division can be found elsewhere (not necessarily because it was drawn from the outside, but because there are marginal ideas that become apparent with time.) It may be enough to take old ways, tinker with them, think of new applications or new ways to package them, and very often new insights drop out of this process.

Amongst the staff at the Bank, there are very few original thinkers. Most often there is only marginal tinkering, or at best, the imaginative application of old or tested ideas.

The importance of marginal changes is that they are simply a better way of doing things than before. Perfection is not the issue. Only, how can we improve performance relative to what happened before.

on lessons learnt............
There is a very real need within the Division to correlate information beyond context specific studies, so as to be able to generalize across regions. For example, the affordability studies and the econometric research conducted by the Policy Division on a cross-contextual basis show quite clearly that the use of 25% of household income as a
rule of thumb to measure affordability is not justifiable. As a consequence of the research, a software package is being developed to help generate context-specific affordability criteria. One can punch in the level of income in a country, the population in a particular city, readily available macro-numbers, then what part of the income distribution one wants to focus on, and the program delivers figures on affordability.

Housing markets do work in predictable ways in developing countries, that one can do the kind of market analysis that has been done in developed countries in developing countries and successfully analyse the data and determine what the expenditure patterns are. There are patterns that are consistent from place to place. Demand is income inelastic within cross-sections, within markets, that low income people systematically pay higher fractions of their incomes for shelter than higher income people within any city. At the same time, across cities, there is another pattern. The more developed an urban settlement, the greater the percentage of their income people within that city will pay towards shelter irrespective of income bracket.

Demand is very, very much more elastic in the long run than it is in the short run. But on the basis of this research, it was possible to say that even though the assumption that people spend 25% of their income on housing was not a bad assumption for some places, it could not be universally applied to every context. Even within a particular Urban context, there were likely to be variations in spending patterns across income segments. But such research is slow and time consuming. This study took two years to run and two years to confirm, so it took four years to come up with information that could be confidently disseminated within and without the Bank.
INTERVIEW #2.

on the evolution of strategies.............

The Bank was approached in the late '60s on whether it would be interested in getting involved in housing. At that time AID was building MIG housing in Latin America, the Commonwealth Corporation was building walkups, mostly in Anglophone Africa and South Asia. The Bank was very unwilling to get involved in shelter because by then it was clear that most projects were benefiting middle- and upper-income groups. So a formal evaluation study was done by Grindle and Merrill, which led to their Sector Policy paper of 1972. That led to the Urbanization Policy paper by Dunkerley in 1975, which translated that into an economic policy framework. These papers laid out the frameworks within which the Bank would be prepared to discuss housing projects with countries which expressed an interest.

The Urbanization paper went to the Board of the Bank in June of '72, at the same time as the Senegal project, which was the first sites and services project, was requested by their Government. The paper and the project were approved with the caveat that a Housing Policy framework be developed. But there was no organizational experience at that time, which led to the formal adoption of the Learning By Doing strategy, which was articulated as such, and had a very tentative structure.

At the outset, there was a study done of housing policies extant in four cities, namely Bogota, Ahmedabad, Kuala Lumpur and Nairobi, in an effort to understand what was currently happening out there, what the existing problems were, and what possibly could be done to ameliorate conditions.

The whole idea behind Sites and Services was to lift the financial burden of housing from the public sector and shift it to self-help efforts in the field of housing. But what was put in place was a management intensive, institutional intensive mechanism. For example the S&S Directorate in Djakarta, which started out with five people, ended up being two hundred people. So then the question is, was it worth it to create more public sector employment, public sector delivery systems to produce these kinds of projects. Was it cost effective?
There is, within the Bank, the concept of generations of projects. The first generation of projects was from '72 to '76, which was straight sites and services. The second generation of projects includes more upgrading projects. Then there is the third generation of projects, beginning in the early '80s which began to introduce the concept of urban management. But, there is a very important point to be kept in mind here. For example, when the Bank did its first project in Burundi in 1979, it was discovered that the same issues that had been dealt with in Kenya in the mid-'70s, the sites and services issues, the low cost shelter issues, the standards issues, all had to be dealt with first. There was a real need to repeat the project formulations of the '70s in the '80s in a new country. But this was complemented by what had been learnt. So even though the Burundi project has mainly a shelter component, it does include urban management. But it is still a third generation project that is very similar to the first generation ones.

Basic strategy changes take place fundamentally through discussion. People go out there, try to do things a certain way, begin to ask questions, begin to raise new issues. Strategy changes, in part come from enterprising project officers who come up with new formulations for projects. Braz Menezes goes to Mexico and insists that what's needed is a municipal training project and not sites and services, that that's the priority and what the Bank should focus on for now. Occasionally change is driven by the formal evaluations and papers, when enough people begin talking about and writing about an idea. And then, even though Urban has moved to regional divisions, the Central Department begins to shift its criteria on what is good work, and begins to call for more attention to management and maintenance, financial viability, and so on.

So shifts in emphasis were driven by two things. First, because there were the lessons learnt in the field, and second, because of the realization that even though the projects were low cost in terms of what they cost the household, the countries could not afford extensive delivery systems. This called for a focus on resource mobilization and management.

And then there was the oil crisis. For example in Senegal, the first sites and services project, between the start of the project in 1972 and when it was almost done in 1979, the fuel bills had increased to 50 times what it had been. Countries that had little problem
with debt were suddenly shot into the red. That led to major concerns with macro-economic issues, both in the Central Department at the Bank and, more importantly, in Governments throughout the world.

**on the application of evaluation**

When the Senegal project went before the Board of the Bank, questions were raised there whether the project would be able to achieve its stated goals, and whether it might not cause incidental problems such as increased migration. McNamara promised the Board that there would be a set of formal evaluations on four pilot sites to study these issues.

These were intended to be very rigorous evaluations. But, with hindsight, the whole process was misunderstood. A methodology of baseline surveys was set up to study family situations and what would happen to them two years and five years down the line. But project start-up time was completely ignored. So teams would go out there on schedule, and find nothing on the site.

By the late seventies, early eighties, the results of the formal evaluations on El Salvador, Lusaka, Nairobi, and so on, were starting to come in. But they had been too slow, and taken too much time, and proved too costly. By that time the product at the Bank had already changed. It had already been recognized that sites and services, as a shelter strategy, would not reach the poorest of the poor because of problems with income levels, affordability, cost recovery, even though the 'Turner hypothesis' on self help was largely validated and the reports did show that enough people, for example in Lusaka, did build for themselves, or at least enough of them to make the idea workable. But with an emphasis on the very poor, the strategy within the Bank by the late seventies/early eighties shifted increasingly towards urban upgrading as a more appropriate way to reach the lower percentiles.

Does this mean lessons had already been learnt before the formal studies? Then, to a certain extent it may be said that the formal evaluations coincided with this shift in direction, rather than causing it, in which case, did the formal reports themselves, lead to learning or not? But perhaps the process of preparing/compiling these reports may have had its own influence upon the organization.
On the evaluation side, the Bank has certainly learnt that the heavily quantitative evaluation techniques of the types outlined in Bamberger's report, is far too expensive. They have a very low professional credibility, and are primarily of interest to the academic world, but not to us. The question then is not so much how to learn, but how to ensure that continued discussion is sustained. Pieces of work like Larry Salmen's, on Participatory Observation, can be very helpful if Bank people will read it. The fact is that the way professional life in the Bank is organized, everybody works too hard and travels too much. So the major question in this regard is, can people keep up with the flow of formal information given the bureaucratic demands on their time. Very often the burden of required activities makes reflection impossible.

But the other issue in this regard is that evaluations can be very controversial. For example Steve Mayo's finding that subsidies have in fact not been reduced as a result of the projects, was unacceptable within policy circles. In some ways, being an operational organization, we sometimes get a response that we don't even want to hear about.

There is no question that informal evaluation is far more conducive to learning. It is extremely rare to get massive changes in the paradigm as a result of the formal studies. In fact the Bank's approach has been changing through a case-law approach which involves short feedback loops, informal evaluations.

on lesson learning............

Initially, the learning process had a very short feedback loop. Project officers could not afford to wait however many years until the project was completed. So part of the learning happened well before projects were finished, but at the same time people were looking at what was happening around them in those countries in other housing programs, and feeding that information directly into their project reports.

If one lines up the 60 or so projects between '72 and '82, one would see that there were a number of refinements that occurred. The way in which land, renting, selection criteria, and so on were treated, became more operational. The interesting thing is that most of this evolved without ever having a project completed. It was more a process of thinking
through, rather than because of evidence from the field.

[If this is the case, how can one possibly believe that formal evaluations have anything to do with the 'lessons' organizations learn. Then the process must be driven from some other source].

on lessons learnt............

In the first dozen projects, one of the questions was "should renting be allowed, and should income from renting be built into the affordability calculations so as to allow slightly bigger plots and slightly bigger houses". There was much discussion in the context of the Dandura project in Kenya, where it was concluded that since that was the natural pattern in Nairobi it should be taken into account. That had a dramatic effect on affordability issues in the context of Kenya, but it did not happen in very many other projects.

[Does that mean that a lesson was learnt but did not find application within the organizational culture, or was it just a contextual phenomenon].

Another issue was the resale of plots or units. Initially there was a rule that recipients could not sell their plots or units for a minimum of five years. The question was, first, whether it was controllable and did it make economic sense, and second, was it sensible to try to control such resale of plots. The final consensus was that if the issue was to reach the poor, perhaps it was valid to allow resale as a way to boost the economic status of the lowest income groups.

By 1980 or so the whole S&S paradigm, which undoubtedly had changed over time, began to be called into question. All the projects that began in the early '70s were beginning to finish, and the project completion reports started coming in. One of the main issue's that emerged was that there were whole areas that had been ignored; for example the field of operations and maintenance once the project was in place. You build a neighbourhood and come back ten years later and find that nobody is cleaning the streets, or removing the garbage. Part of the problem was that the Bank was concentrating on working with only those organizations or institutions that were interested in low-income housing, and was ignoring the municipal institutions and their framework.
[But if it was the project completion reports that led to these realizations, then can one say that formal evaluations do not lead to lesson learning, or does one conclude that learning is a mix of formal and informal evaluations, and that it is not possible to compartmentalize them, that it is not possible to predict what mix of organizational learning and individual learning makes for the best scenario].

Then there is the issue of training. In a program in francophone Africa, for example, it was found that 2 out of 30 housing directors and project directors on Bank financed projects could calculate either inflation or interest payments. That led, in part, to the realization that the training element was critical, that there was a whole body of people out there who treated the project appraisals as being written in stone, when they were meant to be indicative rather than detailed blueprints. Interestingly enough, there was not such a problem in the Anglophone countries.

Then there was the issue of the shortage of land. So the whole process of land acquisition, and land development and land markets began to become critical. Going into the '80s a little more, it was realized that, even though the projects had included construction loans, this component didn't really relate to the housing finance system of the countries. So, more attention needed to be paid to housing finance.

After 1980 and having run all these projects, it was recognized that replicability did not mean doing more of the same thing. There began to be people saying, well, now that we've raised the issue of urban maintenance and operations, that takes us into municipal finance, whether these municipalities have the cash and expertise to operate and maintain this infrastructure. And then people began to say, maybe housing isn't the priority. For instance, the West Africa division has decided that housing is irrelevant, that the concentration has to be municipal maintenance and infrastructure development.

In India for instance, even though in the Madras project sites and services and slum upgrading was the major component, there were projects in Calcutta and Indore and Bhilai where the focus was on urban services. The question here was, what was the municipal framework, was Indore able to finance its own infrastructure, did it have a revenue base, which is a different set of questions.
on organizational effectiveness

By 1980, the Bank had worked in about 35 countries. There were no misconceptions about the extent of impact the projects had had on the extent of the problem, having reached a mere 11 million beneficiaries. But it certainly began to be possible to design programs to actually reach the poor, the program in Indonesia, the basti improvement program in Calcutta with 2 million people both worked reasonably well, and there were projects in Djakarta and Tanzania and so on. And then there was the transfer of information internationally, and a lot of the approaches were adopted by AID and by other agencies, creating a new orthodoxy.

By then there was the realization that even though one could get Sites and Services and Slum Upgrading projects to work, they had certain problems; there were the issues of cost recovery, of the level of standards used, the question of whether economically driven design standards were in fact appropriate, because the whole move was driven by economists rather than the coloured pens of the architects. But, in effect, a product had been defined. And this was acknowledged by a number of institutions, but they questioned a number of factors, such as the issue of speed of implementation, the issue of cost, the issues of effort.

There was no question that serviced sites, or even unserviced sites are the cheapest way to deliver shelter to the poor. The dilemma was, how can it be done on a large enough scale to actually have an impact. Part of the Bank's solution to that has been attempts to prove that sites and services does work economically, and that the private sector, or at least non-governmental organizations can make a reasonable profit on such projects. In the post '80s, the Bank has been realizing IRR's of 20%.

on organizational change

The major thing that's happened in the last five years is that the key people who used to work on the Urban Division no longer work on Urban. People who were experienced in the '70s in the process, Jaycocks who was the director, Churchill who followed him as director, have moved to other things. Jaycocks is now the VP for East Africa, Churchill now works on Energy, people like Madavo who is the Division chief for Africa and still
works in Africa but not on Urban, Sandstrom who handled South Asia now works in Africa, and many new people have come into the activity who have no background in Urban issues. So there has, in some sense, been a dilution, a loss of learning, certainly a loss of experienced people. I worked on Urban for the past fifteen years, and now I work in Pakistan with very little Urban bias.

So there has been a lot of loss in learning. And under the upcoming reorganization, what is expected is that WSUD will be merged with Infrastructure more generally, including Transportation and Energy. So one can expect a significant drop in Urban interventions in the Bank projects. There may be a lot of projects, but they will leach on to other primary components, and certainly the Urban identity within the Bank will become muted.

The rationale behind the reorganization is that the Bank needs to be more responsive to individual country needs, and therefore the sectoral point of view is seen to be less important than the country point of view. That's partly due to what the countries themselves have been saying, and certainly what the stockholders have been saying. In 1986, the five major stockholders on the Board of the Bank abstained on the budget, which is extraordinary. The message, then, is that the Bank needs to be leaner and more efficient. But whether reorganization necessarily means efficiency, is a moot point.

[Does this suggest the Bank in fact is on the verge of moving way from Sector loans to an even larger perspective of country loans, that their scale of focus is still broadening?]
INTERVIEW #3.

on lesson learning............

Probably the most critical determinant of what happens to learnt lessons within an organisation like the Bank, is the distribution of power between the technical and the administrative staff; does the bureaucracy control directions or does field experience lead the policy.

There are probably at least two reasons why it has taken so long for lessons to trickle up through the Bank. The first is essentially the inertia factor. People are just simply used to doing things in a certain way. They feel more comfortable doing the things they know. There is a resistance to change that is inherent in organizations worldwide. There is an economic and psychological stake in maintaining the status quo. Which leads to the second probable reason; that it is not enough for people within the Bank to learn lessons. Once these lessons have been learnt, they then have to be transmitted through the whole international network of implementor institutions.

on the transfer of lessons............

So there were three things that were done. First the Bank mounted a massive research program which churned out reams of paper, and which did help to 'spread the word'. Second, there was a massive effort to lobby various development agencies to bring them to see that perhaps this was a better way to do things. And one of the ways, thirdly, to do that was to initially do small-scale demonstration and pilot projects in an effort to build both consensus and local experience.

It is important to keep in mind that a lot of what the Bank was pushing for in the field of Urban was very contrary to what had previously been going on in most of the countries. For example, in India there was only one housing finance institution, HUDCO, which was busy dumping the miserable few resources it had into high-cost, heavily subsidized, upper income housing. At that time HUDCO probably was financing perhaps 3% of the marginal need for housing in urban areas nationally, and it was all going into the top of the income distribution. And then the Bank comes along and says, this is all wrong, the people most in need are below the 60th and 70th percentile of the population, most of whom live in slums; that the product is much too costly, that instead of 70,000 rupees it
should be in the order of 5,000, and that instead of providing housing we should be providing the item that is on the critical path: namely serviced land.

on organizational structure

The other issue is whether there is continuity, both politically and administratively within the institution. If in the IAS, or the Bank, the typical officer does not hold a job for more than two or three years, and the typical life span of a project is more like ten years, there are two implications. Firstly, there is no way for the officer, who may have a vast fund of professional experience, to effectively implement his or her vision of the direction the project should take, and secondly, there is no effective way to institute accountability, and thus responsibility.

Every idea has its time and place. But the Urban Division is definitely not a 'typical' World Bank operation, in the sense that the kind of projects we have been doing are not 'normal' Bank projects. The essential difference is probably that Urban projects are much more site specific than infrastructure projects like water, and sewage and power and dams, which are hard capital investments of the kind that the Bank had much experience with. But Urban projects were a new field for the Bank, and there was much casting about to try to figure out what the approach should be. The other factor is probably that it was recognized early on that the technical and philosophical state of mind just did not exist out there, and needed to be created before anything appropriate could be done.

on the evolution of strategies

There is an interactive relationship between a number of things: first there is what the Bank thinks it ought to be doing, second, there is what the country in which the Bank is working thinks the Bank should be doing, and thirdly there is the individual experience, the personal philosophy of the particular project officer involved - because one of the strengths of the Bank is that the project officers have an incredible amount of autonomy to develop the project as they see fit, given the place and the time, and finally there is the circumstantial composite of the particular cast of actors involved in the specific interaction and what they bring to bear upon the project.

Initially, or at least primarily, the Bank saw it's role as the rationalization of urban
investments rather than the direct provision of shelter, as aiding the development of urban economies. We've always known that working in urban would involve us in a whole range of things such as transportation, and water and sewage. The Bank has, of course, been doing all these things, but almost completely as an independent item. It still supports isolated interventions of this sort, without seeing them as a supportive machinery for the urban planning process, but less than before. Looking back, it would seem to be a mixed bag. Some projects have been 'christmas trees', in the sense that they had a whole range of urban services, while other projects were self-standing shelter projects of one sort or another.

Of course, when the Bank first got involved in shelter projects, it did not have an agenda that focused on the poverty concerns specifically. It was only after 1973 that it became concerned about who the recipients specifically were, and who was actually going to benefit from projects funded by the Bank. And even though this whole concept of 'banking on the poor' is normally linked to McNamara, it was happening generally too, within the international community.

So there was a general movement away from looking merely at gross efficiency issues, towards a recognition that one could not look at growth in isolation from the equity issues. There grew a question of who benefits from these projects.

Take a typical water and sanitation project prior to the '70s, and it really concerned itself only with expansion of supply, large network development, focuses on per capita availability, largely a concern with traditional rate of returns and long-term master plans. But until then, there was little concern with issues such as availability of resources, whether fiscal or institutional, or with issues of benefits to different classes of people, and the indirect or intangible effects of projects - which led to different ways of looking at evaluation.

The progression of strategy-shifts in the Bank's projects is not easily discernible, because there were any number of cross-connections country-wise. But, sites and services was certainly one of the earliest components of the Bank's urban packages. Then, to that was added low-cost water and sanitation. And then, one of the other early
concepts was in the transport field, when the Bank pushed the maximizing of capital investment in urban transportation. Very much later, there was the concept of municipal management. There was talk about solid waste management, some conditionalities about municipalities being required to maintain systems. Perhaps what the Bank didn't do initially, which maybe it should have done, was to look at the cost of maintenance of projects that had been put in place. If it had, the chances are that it would have begun to concentrate much earlier on the burden projects placed on municipalities.

It's not that there were no people in the Bank who saw this phenomenon. If one looks at the Bombay urban transportation project, which began early in 1973, there were Indians at the Bank who recognized and and pointed out the fact there were a whole bunch of agencies investing all over the place in a totally uncoordinated fashion, with no common objectives, in fact no real objectives at all. There was a total mismatch between the total estimated investment package and the resources on the one side, and what people did and the defined social objectives on the other.

But by and large, the Bank did anticipate most of the developments that have taken place over the past 15 years. It is not that the Bank is moving away from sites and services, but that it no longer sees the need to involve itself in the sort of small-scale pilot type of projects that it used to in the past, from small actions in a single city, and is moving towards the state-wide financing by national institutions of what has proven, through the small pilot-scale projects over the past decade, to be a highly successful strategy.

But the important point here is that the Bank was essentially sending out signals that "you're doing it all wrong, and here's how you should be doing it. And when you do that in a large country like India, you're really telling the heads of major agencies, all the engineers, the administrators, don't do what you've been doing all along, because you don't know what you're doing." That has to cause a fair amount of resentment, and everybody, everywhere has perfectly understandable psychological and financial stakes in doing things the way they've always done them.
Ideally, what one would like is to start from the top, and get the governments to change whole policies and get everybody in all the national institutions to change their policies, and have a simultaneous nation-wide impact. But the people at the top are no different in nature than the people at the bottom or the middle, who prefer to be doing what they've been doing best. So the first need was to try to get a toe in the door somehow.

That might explain why the initial projects tended to be rather small in the first place, and secondly to be located in particular cities, which in fact were chosen because they appeared to have institutions that were maximally receptive to the concepts the Bank had espoused as a result of its preliminary research. There was no way of setting up any national or regional or state or even city-wide project orientation. Initially there was no question of even attempting to bring about fundamental policy changes in, say, land development.

There had to be a series of little demonstration projects first, in order to build up sufficient hands-on experience in the field, in effect to generate sufficient proselytes who would spread the word. It was never expressed that way explicitly, but that's the way it turned out. So we started out, say, with Madras 1, which had 13,000 sites and services plots and took five years to implement. That's 2000 plots a year where the marginal demand is something like 20,000 a year in Madras alone. So the impact from the numbers point of view was not very significant. But from a psychological and institutional point of view, it could be argued that the impact was phenomenal.

Most importantly, a lot of prejudices about implementation were broken down. A lot of people at the engineering level, at the management level, and even the public, got exposed to these 'new' concepts. Previous to this the general attitude was that sites and services was equivalent to organized slums. But then, as a result of the Bank initiated projects, perceptions changed. It was proved that it is possible to get full cost recovery, for example. There was a whole body of engineers who not only learnt to design such projects, but also changed their preconceptions about what minimal standards ought to be applied.

Now there are whole agencies that have had the experience of implementing these
kinds of projects throughout the state. So given such a critical mass of ideas there are any number of people out there who understand these ideas, not in an academic sense but in an implementational mode. The important issue here was the building up of critical mass. The ideas were all there, it just needed enough people accepting them before they could be implemented effectively.

If one stays in one country over a long period of time, one gets a true sense of the cultural structure, of the strengths and weaknesses of the society, of what is possible and what is not possible without having to demand major changes in the existing framework of institutions. Otherwise there is a problem with continuity. With new people and new ideas, as with new policy, there is always the problem of maintaining a critical mass of people who understand and begin to agree with existing policies.

For example, once a contract bidding document is in place, one seeks to modify and improve it to make it more effective. On another scale, there is the issue of negotiation. If a project officer is 'in place' for five or ten years, watching shifting trends within the political scenarios of the country, meeting constantly with both the technical personnel and with the politicians who come and go, that project officer is much better placed in terms of professional effectiveness, because he or she begins to understand much better how 'the system' works.
INTERVIEW #4.

on the evolution of strategies............

In the mid- and late- '60s, a number of countries began to raise the issue of shelter in Bank-related projects. The bank was, of course, working on urban issues, but these were almost completely related to infrastructure and services. It was realized early on that if the Bank tried to fund finished housing, there just wouldn't be enough money to go around. At that time there probably only two urban planners working within the Bank. Also, a lot of people, both within the Bank and in the countries concerned were beginning to become aware of John Turner's work, and wondering if that might not be one way of going about addressing the issue of shelter.

There was a study conducted by Grindley and Merryly of Berkley at that time, which put together the existing body of knowledge and tried to set policies for the Bank's interventions in the field of shelter. Essentially it was an attempt to devise potential ways to maximise the utilization of resources.

Senegal was the first sites and services project that was initiated as a result of this study. There are two possible ways of looking at why Senegal was picked as the starting place, and they are both arguable. On the one hand, even though a lot of people at the Bank might deny this, the Bank has always had a problem with working in the francophone countries - partly because of the language, and partly because the American style of management is so very different. In any case, the francophone countries have never been high on the Bank's list of activities.

The second argument, which may be more likely, is that Senegal was probably one of the few countries that was, on its own initiative, already doing something in the nature of sites and services. Of course one of the reasons why this was happening was that there was a massive relocation of slum dwellers to summarily equipped sites, (slum clearance?) to the outskirts of Djakarta going on at that time. But they were bulldozing the previous sites to make way for highrise development, which was antithetical to what the Bank was advocating at that time. It certainly was not rooted in issues such as cost recovery, or optimal resource utilization, or any of those issues, but it was happening. But the Bank
was looking for an operation to test its emerging response to rapid urbanization, and Senegal appeared to offer the opportunity for this. In addition, there was the fact that Senegal had been the heart of the French colonial empire, it had the first university and the best trained local staff in francophone Africa, and the Senegalese were well able to talk architectural and planning issues with the Bank.

In West Africa, till about 1978-79, the approach was almost completely oriented towards shelter. This was partly due to the droughts and partly to the oil shock. They led to massive migrations, and the question was, how are people going to cope. So the concerns up to that time were essentially number oriented, how many, how much. That led to questions of **affordability**, that if this is where these people are located income-wise, how much can they pay, and to issues of **replicability**, or how much more of the same thing can be done with the same amount of initial funding.

From the Bank's point of view the main issue was numbers too, because there were **a lot of problems initially**, getting these projects off the ground, and it was important to get as many projects in place as soon as possible, to test and demonstrate the concepts that had been tentatively focussed on.

But the major problem in West Africa, and probably elsewhere in the post colonial world, was the issue of standards. The colonial legacy left by the French, the British and others, both in terms of institutional structure and in terms of the locally unrealistic standards of housing introduced by them, left an entrenched mind set that had to be worked around. Strangely, the problem was easier to neutralize in the francophone countries than in the anglophone ones', perhaps because when the British moved out of their colonies, they left the basic institutional practices in place, while the French and the Belgians tended to pull out lock stock and barrel. They would even pull out telephone systems and things like that, which meant that there was no local institutional capacity to carry on, but it certainly made it easier to change the institutional structure. But that is a very simplistic view, because there were many other factors at work at the same time.

In two respects, Senegal is the consummate example of this situation, past and present. It's architectural schools were steeped in the traditions of the Beaux Arts, and its shelter
institutions conditioned to seeing buildings as beautiful artifacts. But they were amongst the first to agree to the lowering of standards tentatively proposed by the Bank.

How much of that was due to the dynamic of the relationship between the Bank and the borrowers is another kettle of fish, but they did agree to lower cost standards. Not in the sense that "low-cost" is used today, but then at that time the public agencies were barely addressing the top 10% of the population. The Senegal project clearly stated that it was aimed at the target group that was above the population that can't pay anything, who would just have to rent as best they could, but below the levels handled by the existing upper and middle income agencies (which, in fact, were targeted merely at the upper income groups). The corporate memory at the Bank may deny that, because a lot of careers were made or broken on the Senegal project, but that is how it happened.

It was very clear at the start that Senegal was a middle-income housing project, even though it was sold, within the Bank, as a low income housing project. All along, the standards the Bank was imposing (and it was an imposition), were just unacceptable to the twenty-odd francophone countries in West Africa. What happened was that the Bank was arguing this low-cost basic approach, based on incomes and ability to pay, but the governments didn't really agree. Their agenda was to "improve the lot of their people", and this whole business of no toilets, just a hole in the ground and so on, just didn't fit into their political agenda.

The other problem was that institutions like the power and water companies had standards written indelibly into their bye-laws that simply excluded the acceptability of such projects, and there was not the political will or institutional inclination to make the effort to change or circumvent such regulatory mandates. The on the ground realities were simply too different from the original appraisal report, and many years were spent in negotiating policy on standards even after the projects themselves had been negotiated and implementation had commenced.

At the Bank, the early sites and services projects had evolved conceptually and intellectually with reference to a number of issues: low-cost services, people paying only for what they can pay for because the level of services have been tailored to their
levels of income, people paying for services only when they see them delivered, that they will build and invest in their own housing only when they see that their claims to the plots have been legitimised. But this was largely an intellectual exercise which, on the ground, proved to be extremely hard to implement.

Probably the single most critical block was the issue of lowering standards. Governments would initially accept what the Bank was pushing, but come implementation time and they would almost always baulk. Mali, Bokina Faso, the Ivory Coast, almost everywhere there was at least a five year lag in projects while such policy issues were being discussed.

on the applications of evaluation............

In one sense the first phase in Bank operations in the field of shelter was this intellectual phase, where assumptions were made away from the realities of implementation, without the willing or explicit consensus of recipient countries, and the projects fell flat. The next phase was what Michael Cohen called Learning by Doing. And we were learning by doing it out in the field. But there was a very distinct lag, within the Bank, between the lessons that were being learnt by project officers and the learning by the managers who were sitting here in the Head Office.

In the late '70s there was a major evaluation effort on four Bank funded projects, of which Senegal was one (Senegal, El Salvador, Lusaka, Nairobi), because McNamara had promised the Board that there would be a rigorous evaluation of shelter projects before future policy was determined. But, the question is, what was the Senegal evaluation worth? There was no discussion or consultation with the people in the Bank who actually worked on the project, who had struggled through a very difficult implementation process. There was no attempt to understand what had gone on before the project actually hit the ground.

The Bank, in fact, had tried to close down the Senegal project in 1976 or thereabouts, because it was felt that it wasn't working. There was, at that time a factional split. One group insisted it be wound up, and the other insisted that the Bank was in the business of facilitating implementation, and since the Bank was just starting off on shelter issues, it
should accept apparent failures and then move to more appropriate strategies. But it was an extremely rigorous evaluation of the four projects, costing millions of dollars. At that time there was a separate Research Department, unconnected to the Urban Division, which created a research design, identified teams, and went out to conduct the evaluation without any inputs whatsoever from the people who had actually worked on the project.

[Was it the project staff that was being evaluated, rather than the projects themselves?]

The people who run evaluations, whether Bank staff or consultants, very often don't have too much field experience, which may sometimes make the evaluations either incomplete, in a project specific context, or unrealistic, in an implementation context. This was the case with the evaluation of the Senegal project. There were reams of reports that were put together about it, but what the evaluators failed to acknowledge was that at the time the evaluation was done, there was nothing to evaluate or monitor, because in 1976 when this evaluation exercise began, (the project officially began in 1972), all the project was was 400 hectares of sand.

The project was supposed to have been completed in 1980 with 10,500 plots, which in Bank parlance means there should have been 100,000 people on the site by 1979. But there were things wrong with the design, there were wrong procedures being used, people who were conditioned to seeing a 'house' as having 4 to 5 rooms were being offered a one room unit, there were socio-cultural mismatches, and so on. A lot of the project staff argued that it was simply the wrong stage of the project to be doing an evaluation that addressed itself to issues of success versus failure, but that the evaluation should, in fact, look at why things happened the way they actually did, at the real process.

Probably the most critical factors in any evaluation exercise are the time at which it is conducted and the motives for which it is done. When is one evaluating and for what reason. Very often, as in Senegal the criteria should have been why things were happening the way they were, rather than what had been happening. The fact is that there really wasn't anything to monitor, and the project staff knew it, and asked for an evaluation that questioned why people were not moving onto the site; the sand dunes
had been leveled, the roads were there, there was some water supply even though the
electricity was not laid on till later, people were desperate for land, they wanted a plot no
matter how, and they still did not move in. That should have been the focus of the
studies.

The major problem with evaluations is often this 'success vs. failure' syndrome. For
instance, by the time the Project Completion Report on the Senegal was finished
around 1980, the project had been conclusively adjudged to be a 'failure', both within
the Bank and in the Government. The project staff knew that there was no way top
management in the Bank would even look at another sites and services project in
Senegal.

But a phenomenal investment had been made, very many innovations in policy had
resulted from the project, the first sites and services project, the first structural
adjustment loans, a core of people had been built up within the implementing authorities
who now knew what the problems had been and had ideas about how to circumvent
them, there had been a recognition of the need for municipal training and management,
the project had served as the testing ground for a number of theoretical, academic
ideas, and contributed to the body of knowledge both within and outside the Bank.

So what does the concept of 'failure' mean? Because there are now, today, 100,000
people living in the project. It's not just a question of how evaluations are done, or even
what is being evaluated, but when are these evaluations done. Projects and programs
are organic entities. They are not static in time. They have a life of their own and the PCR
certainly does not mean that the project has ended with any kind of finality. What was
observed by the evaluation yesterday cannot reasonably be expected to hold true
tomorrow.

At the time it became clear that the Bank would not touch another project in Senegal,
there was the beginning of talk amongst the project implementation staff about the
problems with maintenance. There had been incredible investments made in in roads, in
water, in infrastructure, in shelter, but upkeep was beginning to show up as a real
problem. The project staff felt strongly about the Bank not continuing its investments in
Senegal Part of the reason for wanting to push further investments in Senegal was the perceived opportunity costs of not continuing to participate in the development process there; partly because there was a concern for the country, and partly because they felt that the government would go back to doing high-cost high-standard upper-income housing if the Bank did not continue to manifest its presence. So they put together a Technical Training Program aimed at addressing the issues of Urban Management and Institution Building. And the way in which the idea was 'sold' within the Bank, was by a technique that might be called "working the corridors", building up support for the ideas over lunch and coffee, trying to gradually bring the loan officer to see that the project made sense.

The major issue with cost recovery was not that the Urban Division was not aware of it initially. In fact, the only way project staff could get the management of the Bank to make the $3,000,000 commitment to the second project was by guaranteeing full cost recovery and affordability and full occupancy. But it failed to achieve these targets, largely because the government of Senegal was not committed, politically, to these issues.

on learning lessons............
There is both a sector specificity and a region specificity to the evaluations of the initial projects that precludes the possibility of any kind of comparative analysis or appraisal. And perhaps that is why the Bank took so long to draw generalisable principles or lessons out of the early projects. It is uncertain whether the conclusions of those first studies ever truly got incorporated into Bank policy. Each of the projects was assessed by different groups, but the Senegal team came to its own conclusions, the El Salvador team, the Zambia team, the Nairobi team, the Philippines team, all came to their independent conclusions. But there is no real integration between the regions, and it is hard to see how broad policy-forming decisions could be made on the basis of these studies because the contexts of the different projects were so very different.

This is one of the major points that is most often not taken into account by evaluation exercises within the Bank: that there is a real need for integrating findings, that until this can be done successfully it is not possible to use evaluations for policy-formulation, and
that what is true in one case, may not be so in another. Lessons were transmitted through the organization alright, but the question is with what speed and how much friction.

There are structural problems within the Bank that have their own rules. The fact that people who work on one region are pretty much isolated from people in other region groups, has its own effect. But then there is Dunkerley’s housing policy paper which came out in 1975, which effectively set the Bank’s Urban shelter policies on the basis of the "experience" it had accumulated up to that time. It was a comprehensive piece of work, almost a bible for Bank strategies, but how many project people carried it around in their pockets? In fact, there were so many pressures out there in the field that probably few of the staff that should have absorbed it actually did, largely because there was so much else to do.

It is difficult, maybe impossible, to separate things out. The whole development of the Urban Division is a complex fabric of institutional objectives which have shifted with changes in leadership, management objectives which are a product of the individualistic interpretation of the perceptions of policy and Board objectives, the objectives of the particular countries and their particular priorities, and the interaction between country needs and the project teams that are working at the micro-level, the nature of the sector itself, evolutions within the Bank itself, what vested interests were operating peripheral to the various projects, all of these factors make policy emerge. Rational Change does take place, but it happens very slowly. The major issue then becomes the speed with which change occurs, rather than anything else.

The processes and approaches within the Bank are certainly a result of lessons learnt, but a lot of the lessons learnt are a result of responses to non-project related pressures that are both internal and external to the organization. One of the critical questions for the Urban Division, seems to have been, “how do we continue to operate”. The Bank seems to be built on interest groups that have a vested interest in perpetuating their own fiefdoms.
on organizational culture

One of the problems with the way the Bank is set up, what with the staff being based in D.C. and making all these trips out to the countries in which the projects are based is that it leaves very little time to keep up with what is happening in the Central Office. It's not clear who actually listened to that work, other than the academic community.

Very often project officers are driven by a need to survive. There is a very real need to anticipate the management level, a need to ask “what do we think they want”. And that could well be one of the major motivations for innovation. In Upper Volta, for example, in 1977, there was a recognition, by the project staff, of the fact that maintenance could well prove to be the problem. And that was probably the first time that municipal capacity-building was explicitly built into a Bank project, largely because the project staff was concerned about anticipating questions that might be asked by the Central office. A lot of the decisions taken in the field are often the direct result of project staff wondering what sort of questions management will ask, and trying to outguess those mindsets. A sort of “what do I think that he thinks that I think I should be up to” syndrome.

Then there is the ‘rites of initiation’ syndrome. The proving of self. This can be a major factor in the way in which project staff respond to situations, and often decisions that are taken in the field are far more a product of satisfying the perceived demands that might emanate from management staff, rather than any kind of a rational decisionmaking process. Project officers have to prove themselves in order to ‘get their feathers’, so they need to play devil's advocate when they are on a mission. And there is no rationality built into the process. Michael Cohen was complemented by McNamara for introducing the Urban Management component, even though it wasn't called that at the time. In the end the whole package went belly-up, but none the less the whole thing looked super, because it had been packaged so well, and because a number of issues had been addressed in the process.

A number of the project staff do have a particular vested regional interest. There are hidden agendas, specific area concerns, and personal biases that colour the complexion that projects end up taking. But perhaps, even more critical, is the fact that
very often the most basic concern that motivates and control the decisions taken by project staff, is the plain and simple desire to survive within the political heirarchy of the organization.

This survival instinct has possibly been stronger in the Urban Division than in other parts of the Bank, largely because Urban is seen to be the "cowboys" of the Bank. People there are less traditional, and they have very different professional backgrounds. Whereas most people in the Bank are economists or bankers, the Urban Division used to have mainly planners and architects. In the beginning, the kind of staff that was employed was very different from Bank norms. They were less traditional, there were more women, people with less of an hardware oriented focus. They weren't bankers, they weren't engineers, they weren't economists. That introduced a whole new species of people into the Bank, which may or maynot have made the Urban Division just a little bit suspect in the eyes of the general policy staff.

It was not, however, a case of people in the different regional groups merely trying to legitamize their existance within the Bank. After all, the people employed by the Bank come from all over the world, not just the west, and they had a real desire to serve their countries. The Bank does tend to go in and push countries around. So when project staff, either out of genuine affection for a context or out of sheer chauvinism, try to do something that is born of a desire to do what is 'right for the context', and when that particular notion is at odds with the Bank's agenda, there are bound to be problems.

And there was a very real, if unstated, or even sub-conscious, need on their part to make themselves perceived to be relevant within the context of 'normal' Bank operations. That was definately one of the reasons why the Technical Assistance program Urban Management and Rehabilitation in Senegal was formulated.

There has been a very distinct and drastic shift in the kind of people who are being hired within the Urban Division today. Most of the previous staff, the project officers, the policy research people, the operations and evaluation people, even some of those who have risen to management positions, probably would never have got into the Bank if current parameters had existed in the past.
This does affect the directions that policy is taking. An alternative scenario could be that the kind of people coming into the division now are a reflection of these shifts in policy. The Bank is now looking for financial analysts and institutional experts. There is a much greater emphasis on "software" issues, the computerization of municipality records, cadaster surveys, fiscal issues, mandated macro-level cost recovery techniques through the taxation process, city-level tax base readjustments (even though it is questionable whether it is possible to in fact generate any greater revenues by such an approach), urban land management systems, financial intermediation, information systems, and other such management type actions across the board.

On western political influence

There is little doubt that the U.S. Government has had considerable say in the directions that projects and programs take. Partly this is due to the fact that the Bank is physically and conceptually located in Washington, but also because very often it finds itself, especially in the field of shelter, working with U.S.A.I.D. which, after all, is controlled by Congressional mandate, and their restrictions have influenced how the Bank has operationalised projects. A.I.D. is constrained by its Housing Guarantee Program to lend to the 'poor', and the Bank has long since decided that one can't just lend to the poor, because everybody is poor.
INTERVIEW #5.

on the equity motivation for strategies...........

One of the major impacts of the sites and services projects was that they were a phenomenal means for capital accumulation for the 'poor', something like a one-shot lottery, mainly because such projects meant a redistribution of land ownership within urban areas. Because this was one of the economic motivations for getting involved in the field of urban shelter in the first place, to balance out the economy, to reduce the economic disparities across income groups, to encourage a more balanced growth and power structure through the population spectrums, is basically why upgrading projects and even unserviced sites projects began to receive more emphasis after a while than sites and services. Even though the latter had worked in this regard, and projects were, by and large, reaching below the 50th percentile, the former were seen to be effective ways to reach even further down the scale.

on western political influence...........

Given the Bretton Woods conference of 1944, and the fact that the initial proposal to set up the Bank (IBRD, IMF) originated in the U.S. and had to pass Congress, that the Executive Directors, though not American, reside in Washington, that the President of the Bank is always an American, means that the U.S. has certainly a major say in the directions that Bank policies and strategies take, if only by implication.

The direct influence of the U.S. Government on directions within the Bank has been indirect. Very often the Bank works in conjunction with U.S.A.I.D. on projects, and they are controlled by Congressional mandate, and this does affect the way in which Bank projects get structured.

But it is control by implication, and more important than governmental influence, perhaps is the politico-economic atmosphere in Washington. But the Bank is, economically speaking, a Keynesian product, and has always worked towards the stabilization or creation of 'market forces' as the primary control mechanisms of an economy.

on the evolution of strategies...........

Probably the two basic strategies in the field of urban shelter in the Bank, right from the start, have been land acquisition and privatization. A lot of effort has been spent on working out ways to modify or improve land policies, and to take the burden of development off the public sector, because no matter how effective the public sector
may become, the Bank believes that the private sector will always be far more efficient in
the provision of a lot of these services, particularly shelter. And the private sector is
beginning to get involved in the provision of low-cost, low-income urban shelter. For
example, in the first Madras sites and services project, the Bank showed by
demonstration that such shelter projects could be structured to make financial sense,
and the private sector did take over a considerable part of the burden of development.

It is not possible to use any kind of data to analyse the progressive development of
implementation strategies espoused by the Bank. If one is out sailing and the weather
changes in unanticipated ways, one has to respond in a spontaneous way, and the
appropriateness of the response is a function of one's level of expertise.

When the first demonstration projects began at the Bank, there was no way to anticipate
the oil crisis and the phenomenal inflationary pressures that it created, the drop in real
incomes, the incredible increase in fiscal burden on governments in terms of
energy-related costs, and the drastic jump in national debt. So even though the basic
approach to the issue of urban shelter was chalked out in the 1972 Sector Policy Paper
by Grindley and Merryl, and notionally has followed that direction, there are too many
unpredicted, even unpredictable, externalities that influence the implementational
details of most of these conceptual approaches.

One of the major controlling factors in the direction and impact of projects that most
conventional evaluations don't take into account, is the personalities of the key people
involved in these projects, both in the Bank and in the country. The Madras urban
project is one such example, where it was the vision of the project officer and his
perceptual abilities and familiarity with the country context that made that project work.

In the Nairobi project, on the other hand, it was one of the Kenyans who came up with a
critical perception. His contention was time-based, in the sense that he argued that even
though an idea may be unacceptable to the current generation in any context, if it was
pushed anyway the strategy would become the norm, and the next generation, or the
one after that, would accept it far more readily. Which means that time can be a critical
element in the acceptance of any new or unconventional strategy. It took a one
generation shift before the idea of lowered standards became effective, and maybe that is inevitable. The issue of land titles was talked about for a very long time, and there were any number of negotiations between the Bank and the Kenyan authorities on the issues, but it was not until a new, younger generation of professionals and citizens appeared that the idea was accepted. Today standards is just not an issue in Kenya. It's accepted as a norm, as is the concept of privatization, and land reform, and all the other things needed to meet the rising demands for urban shelter and economic growth.
INTERVIEW #6.

on organizational structure.......... 
Each of the regional bureaus' at the Bank is self-contained. The advantage of that is that if one wants information on one particular country or region, one does not have to go to a number of departments within the Bank. Above these is the central project staff that holds a generic overview of what is happening across regions. Under the regional bureaus are three departments: the projects department, and the two country relations departments. But within these, there are about ten sector sections. So each of these regions has an Urban division, which concentrates specifically on Urban issues within that particular region.

on the application of evaluations.......... 
There are useful outputs of formal evaluations, over and above the project-specific reports that are written. For instance, The Learning by Doing paper is a good example of applied evaluation. In terms of methodology, however, evaluation can become a very complex process. In the first generation of sites and services projects within the Bank, in Zambia, Kenya, and El Salvador [n.b.: Why was Senegal not mentioned. Is it in fact an institutional taboo as mentioned in Interview # 4, or just a slip]. Instead of getting the reports done in a year and getting the results out so that they could be used, a very elaborate and ambitious five year program was set up, with the intention of compiling as much empirical evidence that could be used to validate certain hypotheses the Bank's urban shelter program began with in 1972.

Another essential point about evaluations is when the snapshot is taken. Five years back, the project was a failure, today the community has developed to a point where the project must be said to work. Similarly, in Tanzania, there were sites and services projects and upgrading projects that were said to be dismal failures, which today are economically extremely active communities. The activity of this 10,000 household community, which means 100,000 people, can directly be linked to the initial provision of such basic infrastructure as roads and water. Of course every Bank project has its successes and failures, but there is no question that the Central Department in the Bank holds a reasonably balanced picture of what's happening out there in the field.
on lessons learnt.........

One of the objectives of the Bank's shelter program was to reach the poor, those who did not have access to conventional market delivery systems. The primary concern at that time, which was a result of a lesson learnt, was that some mechanism be found to prevent the targeted group from selling their sites to higher income groups. There was a major effort to constrain resale by use of conditionalities, and also to attempt to block renting, which was seen to be a covert mechanism to transfer property "under the table".

However, it was found that the policing required to ensure this was so very elaborate that it was impractical to implement. But more importantly, there was a realization that this may not be the best way of "reaching the poor". There was a feeling that the most effective ways of reaching down the income scale was by increasing the supply of shelter options and reducing the existing gap between supply and demand.

There was finally an acceptance of the fact that the 'poor' should have the option to sell out, because their priorities on the use of capital may be different, and it may be more to their advantage to have this option to accumulate the kind of capital they need most. Similarly, it was gradually accepted that renting was a valid and beneficial expression of monetary need, being a major source of additional revenue, and often provided the much needed capital for the physical consolidation of the structure and for future growth.

[But how much of this is post-rationalization to justify getting around what was seen to be an inherently uncontrollable phenomenon that called for more effort than it was worth in terms of the end result, and how much of it is genuine lesson-learning ?].

on the learning of lessons..........,

It is almost impossible to distinguish between "formal" and "informal" evaluations in the context of lesson-drawing. In El Salvador, for example, there was a formal project evaluation, but in Tanzania the evaluation took the form of discussions with the project unit. When a Bank mission goes out to the field and is told that the project unit's experience is that the overwhelming majority of the beneficiaries wants to rent, then the Bank will begin to question the wisdom, the logic, of trying to prevent renting.
One of the objectives of the Bank is to meet the "real needs" of the poor, and if one of their real needs is the creation of additional income, and renting provides it, why should the Bank try to block it. In addition, there was the realization that the rental of a part of the provided dwelling, in fact adds to the stock of housing units, thereby reducing the gap between demand and supply. After all, it's not just finished owner-occupied housing that adds to the housing stock, renting is a very real and valid phenomenon. The new issue that then needs to be addressed is, is there a way to reduce the rents, so as to increase accessibility to, and the affordability of, such units? And the only way to do that seems to be by reducing the gap between supply and demand.

on the evolution of strategies.......... The whole concept of affordability is linked to the issue of cost-recovery, which stems from the need for replicability. "how, with limited resources, does one do more of the same". It's not just a question of internal rates of return.

But this connection is either not seen or, for political reasons is not expedient, and there was a real need to demonstrate to local authorities that cost-recovery was an implementable concept. The first generation of projects within the Urban Division were mainly demonstration projects, designed more to show that it could be done rather than that this was the 'right way' to do it. The intention was to put in place an Institutional machinery and the financial mechanisms that could then take over the technical aspects of implementation. These were small scale projects, perhaps a 1000 units each, intended to demonstrate that if the countries wished to run projects of 10,000 units, it could be done.

In the second generation of projects, a jump was made from pilot projects to programs. In Kenya, for example, the first project had 6,000 units, the second project had close to 20,000 units, while in the third the number goes well over 50,000 units. By then there was no need to get involved in the nuts and bolts of implementation. There was a credit agency in place that was going to provide beneficiaries with the loans, the infrastructure was going to be handled by the local municipality, and all that had to be done was to urbanize the land in the first place, provide some financial support, and then pull back and watch it happen.
The Urban Division began by designing extremely small turnkey projects, looking into every single detail of the site, the community, the city, working out community facilities, roads, sewage, infrastructure, recovery mechanisms, every requirement of this neighbourhood, down to the last door-knob. At that point the Bank would invest $50,000 to generate say 5000 units that would benefit 5000 families. Most of the procedures, such as the allocation of units, the screening of potential beneficiaries, were extremely elaborate.

As a result of the first generation of projects and the knowledge they helped build up locally, it has become possible for the Bank to move out of the product orientation of its urban policy, to what could be called the principal elements, which may be summed as land, credit, and institutional and human resource inputs that go into such projects. Instead of identifying the site the Bank could say that, for example, the city of Nairobi has 500,000 low income people. If a credit agency could be set up that was able and willing to extend loans to these people, a housing bank that would not restrict access to them on the basis of unrealistic, though not uneconomic conditions, if any such person could come to such an agency, meet the three basic criteria of income, some assets, a regular (if informal) job, irrespective of whether it’s a World Bank site or not, that would be useful.

So the first move in Bank strategy could be seen to be a move away from ‘building the core’, to providing access to credit. The second thing that happened was that the Bank began to look at the city as a whole, to try to identify such land as was suitable and available for residential use, because availability of land and its acquisition was beginning to show up as the major obstacle to development.

Then the Urban Division would only concentrate on those elements of the project that could not be handled by the local or city staff, such as land acquisition, trunk sewers, water mains. The Bank would select five sites within the city, help urbanize them, and leave the rest to project personnel or private individuals. And this did reduce the cost of the plot to the beneficiaries, while ensuring that none of the critical elements of a project were blocked due to the incapacity of the individuals to provide capital intensive facilities.
Finally there was the issue of ensuring that the city contained within itself the organizational and institutional apparatus to be able to take over as many of these tasks as possible. There was a need to set up things like credit mortgage banks, the social workers, people who can provide field extension services, and once these are built up the Bank could phase out these activities and concentrate on the more critical elements. The evolution of Bank funded projects can be seen even in the names of the projects. For example, the first project was called the Dandora Sites and Services Project, while the second one was called the National Shelter Program, and the components of the latter are essentially a credit component, land urbanization, and institutional restructuring.

[So there has been an evolution, even though the basic strategy was set at the start by 1972 Sector Policy Paper by Grindley and Merryl].

The most significant change that occurred around the end of the second generation of projects funded by the Bank was that the debtor countries began to take charge of the projects and to drive the programs, structuring them to meet their financial requirements. In the beginning, there would be one Bank project here, another AID project there, a UN project elsewhere, with each project having its own terms of reference. This made it very difficult for, say, the Kenyans. But now they drive the whole process.

Enough experience has been built up locally for the Kenyans to come to the Bank and say, "Okay, Bank, you want to help us? How much can you give? Okay, $100,000,000. Fine, we need $300,000,000 over the next three years to do what we have in mind. AID will give us $80,000,000, the Kenyan government will put up $100,000,000, and the Scandinavian government is giving us $20,000,000, and now we have the three hundred million that we need to do what we want to do." That is probably the most significant change that has occurred in the field of development, that the countries are taking charge of what is happening, and how the money is used.

The Bank saw its role as one of influencing the earlier policies of the Kenyan government, for example. There was a perceived need to move them away from their highly subsidized programs of housing, to non-subsidized programs that would reach
more people. It is not possible to speculate that the Kenyans would not have moved in this direction in any case, irrespective of the Bank's intervention. But the Bank certainly did influence the direction Kenyan policy took, because there is no way of knowing that without Bank intervention the Kenyan housing authorities would not have continued to do exactly what they had done for the past thirty years.

In a way this has been a world-wide phenomenon in which the Bank has played its role. In the early '70s, Turner was beginning to be heard, and the Bank pulled him in for five years to help direct potential directions the Bank might take in the field of Urban shelter. At that time there was no other agency working on sites and services. And that is significant.

It is a fact that the Bank has moved from sites and services projects to programs, to sector loans. But there is a reason for that. When the Bank began its urban shelter program in 1971, the only way the Bank could put its foot in the door was by giving the various countries very discrete projects. The Bank started with what were called S.I.L.s', or Specific Investment Loans, but now they do what they call S.A.L.S.'s, or Sector Adjustment Lending Sector loans. The important point is that in 1971, the countries were not ready to sit down and talk about broad urban sector policy reforms, they had to be talked around to it. Land Management, Municipal Finance, Municipal Taxes, Municipal Administration, Housing Finance, Institutional Restructuring, were all issues that had to be raised.

It was necessary for the Bank to try to tell the Kenyans that it was not wise for them to go through the ten year experience the Bank had already gone through, because it had been a very expensive process, that what they ought to be doing is modifying their urban policies so that they could control the growth of urban areas, figure out ways to provide non-subsidized elements, but if the Bank had started with that approach, they would have slammed the door, because they just were not ready for such ideas. So the Bank just had to say, if this is the foot in the door, let's make use of it, because one must start somewhere.

[But, perhaps even sector lending is not enough. It is, arguably still a very 'leaky' process, with an inordinate amount of diffusion of limited funds. Perhaps the next step will be a full scale]
concentration on national level land banks and housing finance agencies that impose the minimum of conditionalities, even on country loans instead of sector loans].

on the sources of change............
Most of the real changes that have occurred in Bank strategy over the years are largely external, in the sense that Bank staff does not sit behind closed doors and conceptualize. There are two sources for change. When a project person runs a hundred million dollar project that is a hundred million dollar mistake, he had better learn very quickly from it, or else. The Bank has to live with its investments, from inception to post-completion. The Bank is not in the business of ‘giving away money’ to countries, it simply tells the country that once a project has been approved, an account is open in the Bank for the country to draw on retroactively, once the project is complete. So the Bank has to live with its projects, and learns very quickly from experience.

The second input is the economic reality out there. The economic conditions of most countries are in a constant state of flux, the resources available change daily even though the Urban sector is not as stark as industry or agriculture. A change in the price of oil has drastically influenced Bank policy in the past.

on western political influence............
It is not possible to substantiate any correlation between shifts in the Bank's policies and shifts in U.S. Government policies. There is no doubt that the U.S., as a country, does have an effect on Bank's resources, but there is little influence that the government has on the policy of the Bank. Supply-side 'Reaganomics' is only a policy of this administration, but the Bank has been following that for the past forty years. It has always sought market solutions to everything, always been against subsidised programs as a matter of principle, always been driven by internal rates of return.

Cost recovery has, in fact, been de-emphasised since the start of the Bank's involvement in urban shelter. In the beginning, it was the center piece of the division's policy. The sector papers between '71 and '74 refer constantly to the need for cost recovery. But there has been an adaption of this policy, and the Bank began to see that over-emphasis on cost recovery as an end in itself was compromising other things.
The shift was from saying "these 6000 units cost a $1000 each, so demonstrate to us that the full amount can be recovered", to saying "can we ensure that the city, as a whole, does not lose out on the project". The concern then became that property taxes, water tariffs, and so on reflect true costs. But cost recovery is certainly not a new concept. Twenty, thirty years ago in the agriculture sector, the same concerns were there. It's just that the Urban sector is relatively new, and it takes time for issues to come to the fore. But the economists at the Bank have always insisted that cost recovery be made a requirement of the Urban operation. It's a little bit like health and population control, in that it is very hard to balance benefits and costs, but even in such fields the Bank needs some indication that the investment is bringing in some returns, in one form or the other.
INTERVIEW #7.
on the evolution of strategies............... 

One of the questions posed by the Policy Research Division was, what would have happened to housing and housing markets if the various governments, the Bank, and other such agencies, had done nothing to intervene. What kind of housing would people have, what proportion of their budget would it consume, what would the standards of infrastructure be, what sort of patterns of tenure would emerge.

Having established such a generic description of how housing outcomes and infrastructure outcomes are related to broad parameters of economic development with particular reference to market features, one can then say here is what would have happened if nothing had been done by anyone, now let's compare that to the kind of interventions that are being proposed by the Bank, or the governments, or whoever. Whether it is sites and services, or upgrading, or public programs like rent control or construction of subsidized public housing, how far do these programs move people away from this behavioral reference.

One of the most striking examples of such research outcomes probably has to do with the issue of affordability. For years the Bank, and others, had worked on the assumption that people, everywhere, were both willing and able to spend 20-25% of their incomes on housing. But empirical evidence from a number of ex-post evaluations of Bank projects in different contexts began to show that there could not be any such rule of thumb. Not only did this figure vary across countries, it was seen to vary significantly between cities in the same country.

The consequences of using such unrealistic figures was either that the ultimate inhabitants of these projects would be in income groups other than what was originally intended, or alternatively that the governments would have to commit themselves, either ex-post or ex-ante, to subsidising the cost of the unit. Alternatively, there would be other behavioral consequences. There would be increases in density, there would be subletting, there would be higher levels of turnover as the original beneficiaries realized that they could sell out and create their own package of housing, goods and services, rather than accept the unaffordable projects.

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There have been nominal shifts in the Bank's strategies towards urban shelter. In the late '70s it seemed that upgrading projects were becoming more the norm than sites and services projects, but this trend reversed itself and sites and services projects forged into the lead again. In the past three or four years, the emphasis within the Bank has been on sectoral lending, but the kind of projects this has led to has not been substantially different from what has been happening all along. The sectoral shift can be characterized by a greater emphasis on the role of financial intermediaries that ever before.

There has been a sensing that the most appropriate role for governments to play is that of facilitator of housing production, rather than a direct producer of housing. Therefore the most important things to do are to provide financing in a reasonable way, to concentrate more on land development and infrastructure provision, to implement policies in land markets.

It is a belated recognition of development economics that the development of financial intermediaries must have a focus that transcends the narrow objectives of housing, that they must, in fact, help facilitate the development of capital markets, to enable resource mobilization, the conversion of things like jewelry and other tangible assets that have traditionally been kept under mattresses to savings in cash, because this does help to lower transaction costs for the whole economy. There is a need to raise the rate of interest for savers, lower the rate of interest for borrowers, and create a climate within which capital can move more freely from one part of the economy to another.

There are two essential reasons for these shifts in Bank strategy. One is that the Bank began to realize that the turnkey type of projects were not capable of bringing about the broad policy shifts it felt to be necessary. The other, perhaps more important reason was the change in the overall economic environment of the borrower countries, who began to express a preoccupation with macro-economic concerns and the relationship between every sector of the economy, performances of which began to be seen to be much more important than ever before.
One can safely expect that, even though the Bank will continue to be involved with individual housing projects, quite a large portion of the Bank's lending will be in the area of sector loans with a heavy emphasis on the development of financial institutions, of housing credit institutions.

To a large extent, the shifts in Bank strategy are a result of externalities, in the macro-economic conditions of the countries the Bank deals with. The particular shape of the evolution of various policies is not too closely related to ideas that were part of the written policy of the Bank in the Urban areas. These have a rather heavy emphasis on project specific details; on reducing standards, on recovering costs, on devising affordable solutions, on replicating projects, on going up-scale, with the idea that institutional change would occur as a result of Bank projects both setting a good example, and being replicable in financial terms.

Certainly most of the current issues were raised in the initial documents, but they were raised more in passing than as explicit issues, and there was no effort to prioritize the various components, to say that one was more important than the other.

Other than external factors, probably the most important factor that influenced Bank strategies was a realization on the part of the project officers, the 'doers', that most often when projects didn't work, it was because the policy framework within the country or area was not correct, and that the only way to get the projects to work was to first change the policy structure. It began to be recognized that the policy context was not only affecting individual projects, but also resource allocation in general, and the efficiency of the housing sector and the way it contributed to urban areas and to macro-economic performance.

on learning lessons..........  
While there is no question that the Bank does learn lessons, as an organization there are probably fewer modes for lesson drawing than in other organizations of such a size. There are certainly not enough retrospective evaluations done within the organization with the explicit intent to learn from experience, inspite of the "Learning By Doing" experiment. It's not so much whether the Bank learns lessons or not, as much as how
long does it take the organization to learn from its activities. The opportunities for lesson
drawing are much less, and the modes are much more diffuse, far more interpersonal in
nature, such as the annual departmental get-togethers, where various case studies are
presented. But even then the lesson-drawing is not explicit. It is not a situation where a
bunch of people can sit down and analyse the cases, set up models, test them,
formulate hypotheses, and project into the future.

There was one set of explicit coordinated project evaluations done of the first four sites
and services projects. But, firstly, there just had not been enough projects done to
come to any worthwhile conclusions, and secondly the projects had not been on the
ground long enough to mature to a point where problems might have surfaced far
enough to be skimmed off as lessons learnt.

In the Water Division, for example, there is virtually no econometric evaluation of
projects, largely because the sector is controlled by engineers, who are uncomfortable
with micro-economic techniques, and who are sceptical of the application of economics
to project design. And there are a number of analogies that can be drawn between water
projects and the shelter activities. For instance, there is consistent use of rules of
thumb, as in the case of affordability assumptions, which are then blindly used as design
criteria. But when these rules of thumb are looked at closely, they are consistently found
to be inappropriate, either because they are essentially inappropriate, or because they
are too simplistic and ignore a lot of related and critical factors.

Both in the case of water projects and in the case of shelter programs, long-standing
assumptions about the percentage of income beneficiaries are willing to spend either on
the supply of water or on repayments, have been shown to be inappropriate. Not only
were the assumptions wrong in themselves, there was also the fact that they were given
too much importance as a design index. It can be shown empirically that the 20-25% rule
is more often wrong than correct, and also that the success of a project rarely depends
critically on affordability assumptions, however accurate they may be.

on the techniques of evaluation............

Qualitative evaluation techniques in the 'story-telling mode' are important, but not in
themselves. One cannot generalize from a sample of one. At the same time quantitative techniques, in themselves, can be useless, because more often than not one ends up asking the wrong questions to start with.

The value of qualitative evaluations lies in the fact that they help the researcher build up a base, to psych up, in effect, preparatory to doing an evaluation. Having heard anecdotal, participatory type of stories about Peru, and India, and Indonesia, and Turkey and so on, allows the evaluator to fill in the interstices between sample ranges, to Interpolate across cases, to decide what findings are actually generalizable cross-contextually and which are case specific. But in the context of any organization, there is a very real need to set up and use rigorous analytical models of evaluation that don't leave too many open ends or questionable findings.

Probably the only time when organizations change direction drastically, as opposed to evolving, is when pressures are brought to bear on it from the outside, when people outside the organization begin to ask questions about what it is doing, and how it is doing it. And, quite possibly, it is at that point of time, when these questions are being raised, that the evaluation information that an organization has compiled, suddenly becomes important. It may have been getting filed away in shelves for years, not acted upon, but when such external questioning begins to take place, then potentially such evaluations become much more powerful in effectuating change.

There are cases where organizations, not merely the Bank, go out of their way to suppress evaluation reports for fear that they might be 'leaked' to some sort of Group X, which is out there, wanting to question the activities of the institution. It could be argued that, given a good, innovative evaluation, there is considerable advantage in having it actively supressed within the organization initially, so that when there is sufficient consensual momentum built up 'out there', it can be pulled out of the drawer and unleashed for maximal impact in terms of institutional change. A pat on the back, and 'this is good stuff', normally means that the report is going to be shunted into a dead-end. Given that the findings of the evaluation are in fact valid, contention is an essential prerequisite to consensus-building.
INTERVIEW #8.

on the evolution of strategies.............

There is a difference between how policies get set in the first place, and how they get modified operationally. A.I.D. and the Bank have both modified their approaches to sites and services over time, partly due to external forces, but partly due to lessons learnt, few of which have been a result of formal evaluations.

A.I.D. has consciously been trying to readjust its basic set of priorities for the last four years, and it's barely beginning to pay off. Change takes time. Ideas need to go back and forth. In most organizations, the way in which shifts occur is through the building up of consensus, which finally does survive far better than any written policy. Rather than impose a new direction on the organization, the management at A.I.D. began to ask for new directions. Project staff out there had begun to formulate tentative hypotheses, and it became possible to set up an international study to evaluate these. In such a condition, once such a consensus has been built up, the individual becomes less significant. But the way in which consensus is built, is essentially an informal, interpersonal process.

In terms of changes in basic strategy, when the Housing Office was set up in A.I.D. in the '60s, the initial thrust was based on the perception that the problem in housing was a problem of production, and that production was essentially a problem of technology and finance. The driving concerns became the transfer of advanced construction technologies, partly prefab-systems but mainly construction management techniques, and the setting up of housing finance institutions.

Even though that part of the A.I.D. operation has not changed too much, the next basic shift was the result, quite directly, of a legislative Congressional mandate that expressed a concern for basic human needs in the early '70s. It was felt that since governments built for the poorest, A.I.D.'s emphasis shifted from working with private builders to working with public agencies. The ideas of upgrading squatter settlements, instead of bulldozing them, the idea of sites and services, began to take hold, and that was the area of concentration.
The currently evolving theory is really a product of the concept that underlay upgrading, even though a lot of people don't see it. That theory was that individuals who are motivated to build, and do go out there to build, can be far more cost-effective than public institutions. It was seen even then that it was individual effort that was going to create the housing, and one needed to support that effort, not block it. The concepts of privatization, of urban land acquisition really came from. And the important point is that the idea was there right from the start of this effort. It was just waiting to be heard. The age-old concept of 'an idea whose time has come', a building up of enough consensus, internationally to mobilize resources in what was always there as the 'right' direction.

A lot of what are the present foci of concern within the international development community are ideas that have really been around for a long time. There are very few earth-shattering 'new' ideas. The important thing is which of them get talked about, which of them take hold, which of them prove successful.

But the three basic stages within A.I.D. can be summed up as; a concern with building technologies, a partnership with governments, and now, saying that neither the public sector nor the formal construction industry can produce anywhere near enough housing, and one has to set up programs to enable the informal sector to produce. This last is not a new concept. It's just that earlier, in the '70s, the effort was to get governments to take over the role and attitudes of the informal sector, while now the emphasis has shifted to helping enable the informal sector to do what it has proved itself best able to do. To each according to his sphere of competence.

on learning lessons..........

There is only one way in which organizations learn lessons, and that is through individuals. The way in which it makes adjustments to its approaches tends to be a sum of individual reactions, it tends to be a product of interchanges amongst people rather than the result of any formal evaluative studies. The question then is, what sort of organizational culture does an institution have. Does the organization encourage people to give dissenting views over the current beliefs, or does it stick by 'given' principles come what may.
After all, when an institution has made a policy-based commitment of however-many billions of dollars, it is going to take a phenomenal impetus to get it to back-pedal and say "that was a mistake". But then again, there could theoretically be an environment where it is possible to say "hey, we've all been wrong on this one", as opposed to saying "no, you're wrong".

Probably the only way organizations can help the learning process internally, is to generate an environment that fosters the evolution and expression of dissenting views, and then to take these views seriously until they are actually shown to be incorrect or inadequate. After all, it is in the nature of the development field that sooner or later, someone somewhere is going to try out new ideas, new approaches, try to do things differently. If an organization consistently resists dissention and debate, it will ultimately shut itself out of the mainstream. But perhaps that is a natural law of selection.

on lessons learnt.............
In the context of upgrading, for example, one of the issues that was often flaunted was that of title. Somehow there was a belief that giving people title to the land was a magic wand that would solve all problems. But now there is a growing realization that it is not title to land, per se, that is the issue, but perceived security of tenure. There have been any number of cases where people have been given legal title to land and have not consolidated their properties, because they don't believe that they are secure.

The problem here was the use of the word "title", which was used as a label for a concept, namely security. At A.I.D. this was one of the few lessons that came out of a structured evaluation, one that was designed to test a preconceived hypothesis, which asked "do beneficiaries who have been given title, consolidate dwellings faster than those who haven't. And the answer was "No". There was no correlation. What was important was a feeling of 'neighbourhood'.

on the application of evaluations.............
Of course the basic reason evaluations are done is because they are required to be done organizationally, for fact finding, for accountancy if you wish. The other reason is to collect data, information on the projects and programs to maintain a running record, a
historical or archival function. Thirdly, at some level within such organizations, there are always people who have an intellectual interest in finding out how things that had been hypothesised actually turned out. And finally, there is a learning function, however and whatever form this might take. After all, in the final analysis, if an organization is to survive, it has to be effective, and to be effective it must evolve, which means it has to learn.

on organizational structure............

One of the differences between the way the Housing Office at A.I.D. is structured and the way the Urban Division at the Bank is set up, is the fact that there are far fewer people in the A.I.D.’s Washington office. It is physically possible for every professional in the office to sit down at one table with everyone getting enough time to talk about an issue. It is much easier to access colleagues, to get to see people, to be less insular in one’s views of one’s work.

The other major advantage that A.I.D. gets is by having adopted a ‘foreign service type’ policy of rotating all staff across projects and regions. This has three primary benefits. First, within the organizational culture, personalities are disassociated from the projects. This means that the project ceases to be an individual’s personal activity, and has to survive beyond the person. This leads to a sense of continuity within the organization. That is one way to ensure consensus, because there may be changes in style, but the substance must remain the same, which means that first there must be agreement on fundamental issues.

In addition, because there is a constantly changing mix of people working on any one project, a lot more permutations and combinations of interactive interpersonal relationships take place. Often this helps to spark off new ideas, new ways of looking at problems. And finally, it is a very effective way to move ideas and lessons around within the organization. No one project, no region, no country is ever the same as any other. By moving from one context to another frequently, it becomes easier to see what is context specific and what is generalizable.
INTERVIEW #9.

on the application of evaluation............

Institutions rarely use formal evaluations to formulate policy concerns. More often it is directed towards project implementation or monitoring activities. At best, formal Evaluation reports serve the purpose of ensuring accountability and identifying cost recovery within projects.

It's only when you have an agenda that ties the project directly to the policy agenda at the Central Office, when the two coincide on a one to one basis, then and only then do you get formal evaluations that link into the policy efforts and statements directly. At AID, the way it often works is indirectly, through the GAO audits of the Housing Guarantee Program to ensure recuperability. Because AID uses loans from the US private sector to work with Governments on projects that AID devises and designs. AID's interest in recuperability is due to the fact that it exists on the fees that it charges on the loans, so it is in our interest to ensure that the loans are solid and operate at current market rates.

In fact there has been very little evaluation, in real terms, been done within the field of housing except for 'how do we get this project done'. The issues of affordability have really come out of the early efforts at 'low-cost housing projects' which, in fact, were middle-class housing projects. It was the recognition of the fact of the lack of affordability by Turner et. al. that led to some sort of redirection. That was probably the only evaluation that resulted in a shift in direction, probably the only time any really major sectoral work was ever done on the issue of shelter.

It's not the formal evaluations that lead to 'getting things done'. That happens inspite of, not because of, all those people who go around looking at things and talking about them. The important thing was to get the mid-level technicians to accept that this (sites and services, or upgrading) was the only way to go, even though theoretically it could be called substandard, inhuman, unacceptable, undignified. But slowly it worked it's way to the top. The breakdown has always been between translating the wonderful idea into physical reality.
on institutional procedures

With reference to the ways in which AID and the Bank do projects, the techniques are different but the procedures are similar. The Bank has a first mission, and the mission devises a project idea and then works on it through the grey cover to the buff cover to the yellow cover until it finally gets finished. AID works through a shelter sector analysis to a project identification document to a project paper that then goes through an implementation agreement, and then the thing get's borrowed. The steps are different the result is the same: there is a gestation period during which information is gathered about what is going on in the sector, when opportunities and problems are identified, are structured into a program, when agenda items and policy issues that may become the keys to ensuring that the program will in fact flow are recognized, and then the program is designed and implemented.

The reason why the Bank has a greater lead time than AID is procedural rather than technical. Their missions move in and out of the countries, returning to Washington each time, where everyone has something to say about each mission report, while AID has Regional Housing offices located in the areas within which they operate. It's the difference between moving back and forth, and between a continuous presence, plus the difference in organisational structure that makes AID projects move just a little bit faster than Bank projects.

The Bank has the particular aura, because of it's economists, and it's economic research and because of all the IRR's it does, that lends a certain technical econometric credibility to what it does. But AID does do Country Risk Analyses, both because AID has to protect it's reserve fund and because it has an interest in protecting the recipient government from getting unduely into debt.

on changing strategies

Housing projects, site specific orientations, are finished as far as this office is concerned. There are two basic reasons for that. The negative one is that the project implementation frustration. The effort that it takes to go through all the details, and the years that it takes to to get the thing built and inhabited and get the monies flowing, has led people to believe that donors should finance the programs, and local institutions should
implement the projects and use the money according to general guidelines established prior to the loan commitment.

It means telling Governments that this is what we think you should be doing, do them, we don't care how, and we'll finance you, otherwise we don't have any reason to keep talking. We're not going to keep arguing about project specifics, and the size of the tie beams and the distribution of steel, and the ree-bar size in columns. Let the engineers argue about that. We need to scale up. We can't be involved with nitty-gritty details about how to do the stuff.

Lisa Peattie's piece on Sites and Services says this is what you think you're doing, and this is what it seems you're doing. But it's a critical piece that would be far more useful if it would suggest what it is that should be done instead. That is what has not come out of all the evaluations that have been done so far, both within and outside the various donor organizations.

on western political influence

AID may be more linked to the US political structure than the Bank, largely because it works under Congressional mandate. The effect of that is that a Senator may go to some developing country and come back and ask, well what can we do to help that particular country. Unfortunately the housing program is one of those places they come to immediately, because they go around and see how horrible the housing is and how poor everybody is. But other than that, the agendas of AID and the Bank are very close in the countries in which the two work. The Bank does work in more countries than AID, largely because of Congressional mandate, due to which AID does not do housing projects in the Advanced Developing Countries, only in the so-called Less Developed Countries. But the pursuits of the two institutions are essentially the same. Cost Recovery, the standards issues, environmental issues, affordability, and so on.

If the US Government has a problem with a proposed WB project, it has it's Vice President veto it. If it has a series of issues it wants to build into certain kinds of projects, the Bank, being a multinational entity, can't be controlled by a particular kind of Congress wanting to influence the way business is done, which occurs in AID without
doubt. But in real terms, what is topical with the Bank is topical with AID, and the end effects of US Government influence are marginal.

The pronouncements of US Government officials when they talk about what foreign aid is all about, seems to colour what AID is all about. But there is a group of people in AID who have a professional interest in what AID is all about. Certainly there are political appointees at AID, but they are at the Bank too. So it is only the multilateral nature of the Bank that gives it an image of independence.

Central Office agendas can often be so very different from implementation agendas out in the field. This is largely because political needs are often in conflict with project needs. Also there is a mismatch of time scales, in the sense that political change happens faster and differently from program agendas. In addition, in AID, there is the influence of foreign policy interests.

When there is a Congressional budget cut, the first thing that gets hit is the Evaluation process, even though that is a built-in requirement.
INTERVIEW #10.

on organizational structure..............

One of the primary factors that control the way projects and programs are done at A.I.D. is the decentralization of project officers. Unlike some of the other organizations, such as the Bank, which are largely operating out of Washington, A.I.D. is broken up into a number of Regional Housing and Urban Development Offices (RHUDO's), which are physically located in the regions in which they operate. Quite obviously, what is critical in Latin America may well be irrelevant in, say Africa or Asia. And because of this decentralization it becomes possible for RHUDO heads to closely tailor their activities to their local contexts.

While there could be a number of hypotheses put forward for the true reasons behind staff turnover [smearing accountability, sharing lessons, broadening experience across regions, building institutional consensus and organizational culture], probably the most important is that it is seen, administratively, as a means of reducing the danger of project staff developing vested interests in local affairs, concerns and situations. There is a school of thought that maintains that when a project officer is out in the field away from the home office for an extended period of time, there is the possibility that the officer's allegiance may either become diluted or be transferred away from the organizational agenda towards the region or country or city in which he or she works.

The Central Office would typically feel uncomfortable about this possibility. There is a belief that, being a part of the context, beyond a certain point project officers begin to develop an empathy for local conditions. They get to know local actors and their agendas, begin to sympathise with their predicaments, and start to develop their own personal scenarios of what is best for that particular locality. In the view of the Central Office, the danger of this is that there could well be a conflict of interest, or even worse, the engendering of resentment amongst field staff when a particular organizational directive, born of a wider view, is sent out and does not fit into their perspective of what should be done. That is probably why, institutionally speaking, it may be better to rotate staff every so often.
But speaking strictly from an implementation point of view, the frequent rotation of project personnel may well be disadvantageous to projects and programs. There is the 'known quantity' syndrome that can work to everyone's advantage. If one is around long enough, one gets to know the key people, who are the key players, where do they come out of, what their real interests are, where to give and where to take, these are the elements of successful negotiations.

Because it is no longer a situation where the donor agencies walk into a country, dictate their terms, and make their financial support conditional to the acceptance of these terms. The various developing countries are rapidly developing their own priorities. There is a build-up in local expertise that gives them the right to lay down conditions of their own. And there has now to be a quest for a common meeting ground.

The only way to get around this situation would be if the Central office were smart enough to set up a clear range of fundamental parameters, for instance to say "we're going to concentrate on Credit, Land, and Infrastructure. Now figure out how to do it wherever you are", and if everybody agrees with this, then the allegiance problem is not an issue. But if the Central office begins to play games, to change things randomly or on whim, if it shifts strategies impositionally, or is unduely critical of actions, then it is inevitable that resentment will follow.

{[Prior to the reorganization of U.S.A.I.D. in the early seventies, there was a socio-organizational study done to analyse the institution. Out of the then extant body of wisdom, one of the points that was made was that if innovation was to be encouraged or fostered in the context of any operational organization, it was imperative that project staff in no way feel threatened by the potentiality of retribution, that the 'sword of Damocles' was the most effective way of stifling creativity, that 'reward and punishment', as an organizational control mechanism, do not to experimentation lead].

The major saving grace of the phenomenon of personnel turnover is that there is considerable overlapping, so it's not a disaster situation. In addition, the fact that staff rotates between projects and regions every three years, circumvents any potential agenda insulation that might result from an excessive regional compartmentalization. It also means that the Central office can only make basic policy decisions within the Congressional mandate under which A.I.D. functions.
Over the past few years, A.I.D. as an institution had decided to strengthen a **decentralized** approach to development, and has been delegating more and more authority to the field, to the mission directors to be able to decide on and even design projects, without having to first come back to Washington for approval. Of course there were financial checks and balances, but essentially the heads of the various RHUDOs were only required to come in post-facto for a **review** of what actually happened.

But when the Central Office has a strong view on the direction policies and actions should take, which is so at A.I.D., and the organization becomes increasingly decentralized, then issues of **accountability** in evaluations become critical. This tension between strong perceptions at the center and an awareness of the appropriateness of decentralizing or localizing the decision making process, has led to a reversal in the trend. There is increasing effort to **recentralize** more and more of the project design process, to review proposed actions **before** they are initiated.

**on the evolution of strategies**

The basic criterion under which A.I.D. operates, the fundamental mandate, is that it's programs must be affordable to populations **below the median income**. Which of course raises the question of what the median income **really** is, and what affordability really means, and that is an imprecise science at best, because it is **just not possible** to generalize standards on such issues. Not only do incomes and affordability standards vary across **regions**, they vary between **countries** in the same region, they vary between **cities** in the same country, and sometimes they vary dramatically between different **parts** of the same city. But by and large A.I.D. projects have successfully ranged between the 50th and 40th percentiles, sometimes even going down to the 35th percentile, even though the issue of affordability is still an open-ended one.

Nor is there any unanimity amongst project staff on who the true target population of the Office **should** be. There are those who argue that it is justifiable to deliver housing to the 30th to 50th percentile, because that is what the Congressional mandate asks A.I.D. to do. Arguments are made about the trickle-down effect, about the fact that local governments don't have the **political will** or the **institutional mechanisms** to reach down any lower than that, that after all **some** housing is better than **no** housing. And these are
all valid enough. But the bulk of the population still lies below the 30th percentile. Can they be reached or must they be seen to be social welfare cases.

There were some efforts to move away from land projects, pure sites and services, even site development programs in the context of this population group, and move into very small scale home improvement loans, credit programs on extremely small lots, and so on. But even though, in the long run, the intended target population would have benefited from participation, they often could not see beyond the short term entry costs. Very often, additionally, those who were part of the informal sector were unable to overcome either their own fear of credit responsibility, of that of their creditors, in view of the relatively wide fluctuations in, and unpredictability of, their income streams.

The other major change in basic strategy at A.I.D. has probably been the growing realization that the large-scale, site-specific, sites and services implementational project approach of the past years, with A.I.D.s direct involvement in project execution, is increasingly seen to be a big headache. A large number of the project staff are convinced that the amount of effort that A.I.D. has to put into project implementation is just not worth it. Projects in Nairobi, Cairo, El Salvador and other places seem to indicate that the amount of A.I.D. manpower, time and money needed to get these projects off the ground, is not commensurate with the end result in terms of the number of units of housing produced ultimately. What is particularly irksome and frustrating to project staff seems to be that the problems are seen, essentially, to have been identified and recognized by A.I.D., but they continue to exist locally amongst governments and local agencies.

At another level, one of the major shifts in AID policy has been in the public-private domain. Initially AID worked only with the public sector. [But in Interview # 8, it is said that A.I.D. began to work with the Public Sector on in the early '70s because of Congressional mandate, and that prior to that it had worked mainly with the formal private sector. If different people within an organization have such widely divergent views of the institutional reality, does this have any implications on the operational effectiveness of the organization? When 'the truth' is perceived in diametrically different ways amongst a group of people (which after all is what any organization really is), then can that group of people possibly structure a consensus-based common direction for the organization?]
But the cyclical phenomenon of elections, and the resultant changes in technical and other key personnel began to be a problem. There was no sense of continuity in national policies. Often, as in Equador for example, a new government would come in and change the total direction of housing policies solely because they wanted to show that they were different from the previous government. This phenomenon was forcing donor agencies into two roles. First they had behave as the primary implementation agents, second they had to resort to financial arm-twisting to make sure previous investments were not written off without reason.

But the most significant implication of this phenomenon of political inconsistency was that the donor agencies became the primary receptacles of institutional memory, rather than the local organizations. The often phenomenal rate of turnover of local technical and professional staff forced the donor agencies into a very uncomfortable position. Not only did they have to shoulder the responsibility for the physical implementation of projects, but they also became responsible for ensuring that there was a continuity in the programs. And this was a responsibility that did not belong with them. The whole intention of the endeavour has always been to fund local agencies to conduct projects. It was only when, initially, it was observed that there was a need to build up skills and expertise, as well as to help develop institutional effectiveness, that donor agencies stepped into the breach. But that was only intended to be a stopgap measure, not a permanent state of affairs.

There are, of course, real problems that exist and can only be resolved over time. In Ecuador, for example, there was the very prosaic case of filling in the land titles. With hand written, bureaucratically lengthy titles, and 5000 units, it took a year and a half to get the job done. Add to that all the documentation required for water supply and electrical connections, and that is a formula for disaster. It is easy to say, “simple, just computerize the records”, but one cannot walk in with an armload of computers and say “problem solved”. There is a whole way of working that has to be got around. People have to think differently, approach the problems differently. Computers can be as ineffective as handwritten forms. That is the basis for the emerging emphasis on technical assistance and institutional building. They have to be brought up to speed first.
And then of course there is a fundamental problem with the donor agencies, the consultants, and even the theoreticians, in as much as they have a very immature view of the situation. It is absurd to be as concerned, as a lot of them are, with a “failure to take care of the 'housing problem' out there”. These problems have been around for very many years, and will probably be around for very many more years, perhaps forever. But that is not the issue.

The question is what can be done to help the situation in the most effective way [the concept of satisfying]. How best can one establish realistic rules for the game, and set the scale of the overall endeavour which needs to be constrained by the absorptive capacity, the ability of local institutions to use all the money that is “dumped” on them. And if they cannot effectively utilize available funds, move the money fast enough, how can they be helped to do this, what are the bottle-necks, the constraints, the friction points.

Although there has long been the realization that the public sector is just not able to meet market demands, and that there would be great benefit in mobilizing the private sector, this is not possible at present. Domains of action, areas of responsibility are too deeply engrained to be thrown out of the window. In East Africa, for example, it is virtually impossible to get anything done except through the public sector institutions. At the same time there is a curious consistency in the ability of public sector agencies to produce housing. Almost everywhere, they have been turning out between 5 and 10,000 units a year at most. If any country claims more, then either the data is flawed or they are doing things like home improvement loans and counting them as units delivered, as in the case of Sri Lanka's so-called Million Houses Program.

On the other hand, it is not realistic to look to the formal private sector to step in and deliver housing to the low income population. They neither like, trust nor want to deal with the low income population. Not just because there is a cultural bias against poverty, but because the economic viability or profitability of delivering housing to that section of the population is suspect in their eyes. But there is no question that the private sector must be mobilized in some way if any substantial inroads are to be made.
There are two basic strategies that are being adopted by AID, both based on the compromised concept of a public-private partnership. The use of Sector Loans, for instance, is one. It may make sense to spread the implementation responsibility amongst, say informal actors who can handle 50-100 units rather than relying solely on those who have the capacity to turn out 5-10,000 units.

This may be one way to mobilize the informal building sector which has, after all, been extremely effective in its own right. The formal private sector has also, in a limited way, been mobilized through the use of financial or economic incentives, such as the level of discount on the cost of mortgages, or by tax benefits. But the essential point is that some way must be found to create a relationship between the public sector, the formal private sector, the informal private sector and the international funding agencies.

on organizational effectiveness............

There is only one way an organization such as A.I.D. could improve it's performance. And that would be if every single member of the operational staff could be brought to agree with the essential policy directions, and if there were complete consensus on organizational strategies. [But....contrast this to the statement in Interview #8..."dissention is the only way to innovate and create new ideas."]. At the same time, this is patently impossible, because it requires that the central office have a clear consistent policy across the board. And that can never happen.

Because of regional diversity, it is ridiculous to expect a three sentence policy to say what the office is all about. At best the central office can prescribe areas like credit, land and infrastructure to be concentrated upon, but then it has to be left to each of the regions to come up with specific strategies. But the dilemma is that there is a limit to which policy can be generalized within such an international organization. [And by inversion, there must be a limit to the amount of consensus that can possibly exist within the institution on the matter of specific implementational strategy].

And then, to make matters even more complex, its not just the A.I.D. staff that has to agree, even if they merely agreed to focus on these three sectors irrespective of how the implementation occurred. There are the national governments that must agree, there are the local authorities that must agree, there are the beneficiaries themselves who
must see a benefit in the options they are being offered. Even the local, national, international consultants, and the NGOs, must agree on some fundamental issues before there can be a concerted effort.

**On lesson learning..........**

There are essentially **four levels** of information transfer within A.I.D. Working top down, first there are the **annual conferences**, which are essentially directed by Central Office staff, where the broader policy issues are discussed by all the staff. Then at the annual conferences, there are the **informal discussions** that take place between smaller groups of the RHUDO staff, where individuals and groups with concurrent interests or problem foci begin to get together to discuss issues relevant to them. This is probably where the most significant transfer of information takes place. It is **interpersonal** in nature, rather than organizational, with individuals seeking out other individuals who are either known to have experience about a region or an issue, or are known to have compatible mind-sets on controversial issues.

The **third level** at which there is transfer of lessons learnt in the field is at the **bi-annual RHUDO reviews**, where there is a detailed, context specific and in-depth analysis of particular projects in different regions. When coupled with the pattern of staff rotation, it could be speculated that these are probably the events at which some sort of consensus about the cultural identity of the organization begin to emerge. The **fourth level** of information transfer, and probably the least important, though not insignificant, are the **formal reports and evaluations** that are published. These are not circulated in a restricted way. Since a large part of the operational staff have moved through, and have experience of, different regions, all are invited to comment and critique such reports and documents.

There is a **hierarchical order** to the way in which information moves. The 'back-stop' officers at the Washington office act as a filter between the field and top management. They are the repository for the larger body of experience gathered by the different RHUDOs over time. They have the dual function of pooling the sum total of the organization's experience, from which policy is shaped, and of transmitting the policy skeleton to the field, where it is then fleshed out to fit local constraints.
The flow of information is a two way street. For example in Nairobi, a policy decision was taken, on the basis of information from the field, to initiate technical assistance programs in the field of housing finance. The problem was perceived at the central office on the basis of extrapolations made from the various project evaluations that were coming in, and this was put forward as a strategy to follow. The basic solution was formulated at the management level. This then went out as a directive to the RHUDO office for them to work out the specifics of implementation.

Later on there was a reverse flow, when the field staff began to realize that the real or immediate problem to be addressed was the issue of the local government's perceptions of standards. They believed that it was the issue of minimal acceptable standards that was proving to be the major obstacle in improving the housing finance structure, and they pushed for a focus on that.

[In such a situation it is very hard to decide whether strategy decisions are top-down or bottom-up. The question becomes, at what point in the evolution of a strategy does one say "this is when it becomes a decision". There is a perception somewhere, it gets talked about, a consensual momentum is built, and somewhere along the line it becomes a part of the organizational strategy. And even then, it is only one of the many different approaches being used in different regions. This multiplicity of strategies-in-use means that different people have different concepts of which came first and which followed, depending on their personal experience.]

There are other indirect approaches and long-term potential solutions that have been instituted over the years which are beginning to show some effect. At the informal level, going right down to the source, there has been a longstanding effort to influence the structure of courses at local and international universities and schools, to help create a new sort of professional who can think in appropriate terms rather than design the usual picture-book architecture. At an other level there is a need to work with N.G.O.'s, private organizations, consultant groups, universities, technical institutes, an attempt to create consensus through exposure using seminars, workshops, coursework and so on.
CONCLUSIONS: what it really means.

I would speculate that if some one else were to either have conducted these interviews, or even have listened to them and drawn their own inferences, the results may well have been different. But, to me, that is the essential advantage of open-ended interviews. Interpretive freedom. Something for everyone. Raw, unprocessed information, available for different people to use in their own ways. However, it seems to me that a number of issues do emerge from these discussions.

on the 'evolution' of strategies as a result of lessons learnt.......

The original intent of this thesis was to explore the relationship between evaluation techniques, institutional learning and organizational effectiveness in the context of changing strategies in shelter interventions in developing countries, specifically in the context of two organizations, the World Bank and the U.S.A.I.D., partly because they were more accessible to me, and largely because I felt that being physically remote from their context of operation, the three-way linkage I had envisioned was probably more critical in operational terms.

I decided, fortunately, to use the qualitative open-ended interview technique, rather than going in with a well-worked out questionnaire. The actual decision to use this sort of approach was not based on any suspicion that there may be more to the matter than met the eye. Rather it was that I was enamoured by the techniques presented by John Zeisel, by Michael Patton, by Lawrence Salmen, and by Peter Rossi. My findings, at the end of the process, more than validate their contentions on the efficacy of qualitative research techniques.

Because the responses and answers I got were a far cry from what I had expected, both on the basis of the literature search I had done, and on the basis of statements I had repeatedly encountered about organizational change.

Probably the single most significant stream of information I unearthed during this process had to do with the whole issue of "the evolution of strategies" within the Bank. Time and time again I had encountered statements here at M.I.T., both in classes and in workshops and seminars, about shifts in policy and strategy within the Bank and at AID,
about the gradual movement from finished housing, to core housing to sites and services to unserviced sites to municipal training to urban management to sector loans, changes that have been attributed to lessons that have been learnt by these and other organizations, largely through the evaluation process. In fact my whole thesis was predicated upon this presumption. As I said earlier, I can only be grateful to the impulse that drove me to use the research methodology that I did.

Because..........  

misconceptions in the mind, as such..........  
I found something very interesting. First, what I was not aware of was the fact that the Bank got involved in shelter only in 1972. Second, I discovered that when the Bank was approached in 1968 to become active in the urban shelter sector, John Turner was pulled in for a five year consultancy period to advise the Bank on the direction it should take. There was a sector paper put out in 1972 on Urbanization, written by Grindley and Merryl, which laid out Bank policy in it's involvement with this field. There are, for me, two interesting and related points that come out of this paper, which from my point of view, form the heart of my thesis.

My essential contention at the outset had been that basic strategies and policies at the Bank and at A.I.D. and in the body of organizations working in the field of shelter interventions had evolved over time. Working on this assumption, I had gone out there to attempt to trace a linkage between evaluation strategies, lesson drawing within organizations, and the mechanisms by which such lessons inform shifts in policy and strategy.

The source of my initial mind-set was a series of impressions I had gleaned from courses and seminars and workshops here at M.I.T., and discussions I had had with faculty members. In addition, I was inspired by Professor Schon's work on Organizational Learning, and the theories that he presented.

While conducting the interviews, a number of things happened. First, (and this is just an impression that I formed by interpolation) I found that all the people I talked to at the
operational level did not even think about such issues. They were just not seen to be germaine to the operational activities of the field. I repeatedly encountered statements to the effect that "look, we were out there doing the stuff". Or alternatively, when I would ask for examples of lesson-learning being drawn or not drawn into the policy-strategy framework, they would have to think very hard before they could come up with any sort of answer.

The second thing that happened was that in virtually every interview, when I asked whether they felt there had been shifts in policy-strategy, I got an affirmative answer. But the examples I got related far more to the fine-tuning of strategies already in place. When I would push for examples of evaluations or lesson learning driving basic policy, more often than not I was told that those were driven by 'externalities'.

But most interesting was the fact that at least four of the people I talked to at the Bank, when asked how policy was set within the organization, would refer me to the 1972 Sector Policy paper by Grindley and Merryl and the 1975 paper by Dunkerley. Although I got conflicting information on this and cannot verify either the names, sequence, or dates, I was told that when the Bank was first approached in 1968 with a request that it involve itself in the field of Urban shelter (which it had not done previously), it commissioned a study by Turner, Grindley and Merryl to set the direction it should take. I was told that this paper was the gospel by which policy in the field of shelter was set, and that "it would tell me all".

The first time the paper was mentioned, I went down to the Bank's bookstore to try to get a copy, but was told it was out of print. Whenever the paper was mentioned subsequently, I would attempt to push for a synoptic view of what it had to say. Only one of the project officer's came right out to say that they had been out there contending with the real issues, and just didn't have the time to carry it around in their pockets like a bible which they could whip out and refer to whenever they had a field-based decision to make. But in all cases, I received no real elaboration.

I finally met someone who, when I asked him about this, gave me his copies of these papers. I am truely grateful to him. Because, in going through the 1972 paper, I found
that all the so-called shifts in policy-strategy within the Bank were outlined between pages four and seven in the Introduction. Each and every single one of the shifts that I had believed to have occurred, or that I had been told had happened, are all mentioned in the first official policy statement put out by the Bank. And I quote (the underlining is my own), in sequence........

"....Rural development in the circumstances .....may even accentuate migration to the towns...."

"....to economize in use of resources and increase urban efficiency ....."

"....customary standards of urban services not appropriate to prevailing conditions......"

"....inappropriate pricing and taxation policies......"

"....urban extensions offer opportunities for promoting more economical urban patterns that would be achieved by continued lassez-faire growth......"

"....The shortcomings of the existing land use regulations, and methods of public land acquisition present a serious obstacle to more rational urban development......"

"....it is impossible for most urban inhabitants to afford even minimum standards of conventional permanent housing......"

"....more emphasis of "sites and services" type schemes providing urbanized land ......"

"....the harnessing of the self-help and savings potential provides the only realistic possibility for substantial alleviation of housing conditions......"

"....A choice may often exist between services at conventional standards for a limited proportion at somewhat lower levels but lower unit costs......"

"....pricing policies and taxation incidence acquire a critical importance in harnessing market forces to produce more rational patterns of urban growth......"

"....The multiplicity of local governments and autonomous agencies greatly complicates the problem......"

"....Calculation of economic costs/benefits should be supported by an assessment of other aspects such as impact on income distribution and employment ......"

"....A similar step-by-step approach is indicated towards institution building......"
"...It is difficult to perceive a better practical alternative to the present ad hoc decision making process......"

"...The program encompassing some 40 projects and a roughly estimated $700 million of lending, is necessarily more tentative than in fields where the Bank has longer experience and extended connections with borrowing agencies......"

"...collaboration will be sought with other agencies with experience in the field......"

"...Technical assistance on programming and institution building is foreseen in connection with the urban projects.

"...Improvement of urban management is particularly important......"

"...The several projects in this field included in the program are designed accordingly for maximum demonstration impact and institution building......"

"...direct lending for house construction appears of lower priority than for site and services type of projects which can mobilize self-help, reach the poorer levels of population and stimulate savings and employment......"

"...improvement of low-income settlements and integrated urban extension areas that can both produce economies within the areas selected and promote more economical patterns of urban growth......"

"...direct lending for house construction is not contemplated......"

"...the Bank Group is prepared to consider lending for seed capital to develop housing finance institutions......"

"...The emphasis here is on the leverage effect in promoting savings and developing capital markets......"

I can well understand my own misconceptions, for they can be said to be a product of inadequate information, or even misinformation, a view from the outside. But what I found to be most interesting is that almost every person I talked to, believed that the two organizations had learnt these lessons over time, that somehow shifts in strategy had occurred as a result of experimentation and "tinkering" and research.

The question in my mind then is, is it that the organization had predetermined policy and it was just that individual implementors had an inevitable need to go 'out there' and validate or at least re-learn the lessons that had developed this initial policy statement, or is it that some specific group of people had taken a stand which was
rejected by the body of individuals that made up the organization, but that over time the initial policy statement was proven to be correct, or is it that there has been 'somebody up there', watching over developments and ensuring, by various organizational control devices, that strategies did develop in the way they had been originally conceived.

But this is probably a matter for further research. For the time being I would just like to raise these questions as potentialities. It is personally important to me that I not try to extra- or intrapolate the interviews, because I believe firmly that each person who reads them will glean something a little different from them, and I would not like to take the responsibility of interpreting them any more than I already have.

But in terms of some indicative conclusions there are some points that may well be made, if only to point out future directions for research. The essential point seems to be that there is absolutely no consensus, either within organizations or across organizations, on any to the issues that seem to be germaine to the improvement of organizational effectiveness. There are any number of individual beliefs on the best way of improving institutional learning, organizational effectiveness, but there also seems to be virtually no consensus within the realm of any one of these issues on the best way of resolving these issues.

Whether one talks about the difference between a centralized operational structure, as in the case of the Bank, or about a decentralized operation, such as U.S.A.I.D., there seems to be no way to determine, let alone prove, that one is better than the other. The issue of project staff rotation, the fact that by and large, in both organizations, there is a two to four year turnover of staff while average projects and programs span seven to ten years, is seen by different individuals to either lead to better projects and organizational performance, or to worse, either to a discontinuity in the operation or to increased organizational continuity in performance. et al et al.

Perhaps there is no one correct way to enhance organizational effectiveness, whether through evaluations aimed at lesson learning, or through organizational
restructuring. Perhaps there is an inevitability to the "art of muddling through", perhaps all cats are grey at night and all that organizations can do is thrash around in the quagmire of life's realities, keep their fingers crossed and take what comes as it comes. But hope on, hope on.
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