



Third International Roundtable
Managing for Development Results

Hanoi, Vietnam – February 5 - 8, 2007

Monitoring and Evaluation: Enhancing Development Results

A Background Paper

Third International Roundtable on
Managing for Development Results

Hanoi, Vietnam

5-8 February 2007



Third Roundtable Management for Development Results

Theme: Monitoring and Evaluation

Using Monitoring and Evaluation to Enhance Development Results

This paper provides an overview of Monitoring and Evaluation (M&E) within the context of the Managing for Development Results (MfDR) framework, paying attention to results-based approaches in public administration to which Official Development Assistance (ODA) is a contributor. The paper concentrates on external and internal pressures to focus on results, unpicks the different dimensions of M&E and the various levels on which it can be practised, identifies challenges in M&E systems for MfDR and looks at various initiatives to further results-based approaches in international development programming, including country performance frameworks and joint evaluations. It closes with a look at the process of building capacities for M&E systems and the aspects that need to be included in technical, organisational and political terms.

Monitoring and Evaluation within the MfDR framework

The MfDR is a multi-dimensional initiative, aimed at making global development partnerships more effective and more results-oriented, making use of a range of practical performance management tools. It reflects an emerging consensus about the growing importance of performance management in international development aid, building on over thirty years experience in public administration. Results-based management (RBM) has been promoted as an important means to improve the quality and impact of development efforts.

The concept of MfDR draws on the theories of development change and change management. At its core are notions of:

- **goal-orientedness**; setting clear goals and results provides targets for change, and opportunities to assess whether change has occurred
- **causality**; various inputs and activities leading logically to outputs, outcomes and impact, also called the 'results chain'
- **continuous improvement**; periodically measuring results provides the basis for adjustment (tactical and strategic shifts) to keep programmes on track and to maximize their outcomes.

External and Internal Pressures to Focus on Results

There are a variety of pressures on governments to become more accountable and to demonstrate results achieved. These pressures include the Millennium Development Goals, which set out a set of specific goals and targets to be reached by 2015 as well as ways to monitor and evaluate progress made so far. National Poverty Reduction Strategy Papers, which have become important vehicles for development in the poorest countries, require monitoring and evaluation systems to measure progress achieved and a related commitment to accountability and transparency against measurable results.

Moreover, change processes within developing countries themselves, including processes of decentralization, commercialization and privatization add to the push

towards results-based management, increasing the need for M&E at local, regional and national levels. Even if governments diminish their roles in providing public goods and services, they still need to monitor and evaluate the impact of their policies and programs, irrespective who is implementing them. In addition, in most donor organisations and NGOs there is a move towards results based management and an increasing call on their national, regional and local partners to apply a stronger results based approaches to monitoring and evaluation.

Box 1: The Power of Measuring Results

*If you do not measure results, you cannot tell success from failure
If you cannot see success, you cannot reward it
If you cannot reward success, you are probably rewarding failure
If you cannot see success, you cannot learn from it
If you cannot recognize failure, you cannot correct it
If you can demonstrate results, you can win public support*

Source: Kusek & Rist, Ten Steps to a Results-Based Monitoring and Evaluation System

Unpicking Monitoring and Evaluation

Monitoring and evaluation are different but complementary functions, that mutually reinforce one another. Monitoring is a continuing function that uses the systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds. Evaluation is the systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results, with the aim to determine the relevance and fulfillment of objectives, development efficiency, effectiveness, impact and sustainability.¹

In results-based management use is made of a results chain (see box 2 below), which shows how activities, through a number of intermediate causal links, are expected to result in the realisation of the goals that projects, programmes and policies. Training of farmers in improved agricultural techniques can lead to changes in agricultural practices which can improve their yields, which in turn can enhance incomes and household livelihoods. Training of extension workers and building the capacity of their agency can be another important means to reach this goal. Through indicators on each of these steps one can assess whether the desired changes are actually occurring and to what extent. Identifying aspects that appear to work well, and those that do not, provides important information to be used to manage the change process and to maximize the benefits for targeted populations.

¹ See Glossary of Key Terms in Evaluation and Results-Based Management by OECD/DAC at <http://www.oecd.org/dataoecd/43/54/35336188.pdf> .

Box 2: Results Chain in Results-Based Management

Impact	The higher-order objective to which a development intervention is intended to contribute.
Outcome	The likely or achieved short-term and medium-term effects of an intervention's outputs.
Output	The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.
Activity	Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs.
Inputs	The financial, human, and material resources used for the development intervention.

Terms from OECD/DAC: Glossary of Key Terms in Evaluation and Results-Based Management

M&E has traditionally been focussed largely on the implementation process, looking at whether activities were implemented in a timely manner and outputs were obtained. In results-based management, M&E is also used to look beyond the question “did they do it?”, to include the extent to which activities and outputs contribute to reaching outcomes and impacts, trying to answer the ultimate question “to what extent were people’s lives improved?” and “was an enabling environment created to achieve this?”. There is also more attention to stakeholders’ perceptions about change.

In addition to improving accountability, M&E systems enable stakeholders to learn from their practice and to build knowledge about what types of projects, programmes and policies are effective and why this is so. This growing knowledge base can then be used to further improve development policies and programming.

10 Step Model for Results-Based Monitoring and Evaluation

A ten step model was developed for developing and sustaining monitoring and evaluation systems.² The 10 step model for results-based M&E has a core (steps 2-9) of overall agreed issues. Moreover, the model includes preconditions for the development of an M&E system (step 1: readiness assessment) and a final step to sustain the system within an organisation (see box 3 below).

The ten steps in the model are not necessarily sequential or linear. Often one would need to be working on a combination of steps at the same time and one might have to go back and forth between steps. The steps can be applied at various levels:

² See Kusek & Rist, Ten Steps to a Results-Based Monitoring and Evaluation System, A Handbook for Development Practitioners. Washington DC, World Bank, 2004 available at http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2004/08/27/000160016_20040827154900/Rendered/PDF/296720PAPER0100steps.pdf

organisational, policy, programme and project levels. Based on the level at which they are applied, they differ in their reach and complexity.

Box 3: Ten Steps to a Results-Based Monitoring and Evaluation System

1. Conducting a Readiness Assessment
2. Agreeing on Outcomes to Monitor and Evaluate
3. Selecting Key Indicators to Monitor Outcomes
4. Baseline Data on Indicators – *Where are we Today?*
5. Planning for Improvement – Selecting Results Targets
6. Monitoring for Results
7. Role of Evaluations
8. Reporting Findings
9. Using Findings
10. Sustaining the M&E System within the Organisation

Source: Ten Steps to a Results-Based Monitoring and Evaluation System

There is not one “right” way of developing M&E systems in government and organisations. There is a multitude of options and opportunities based on development stages in which countries find themselves, complexities of the national and local context, already existing capacities, immediate requirements and political choices. Different parts of government can learn from one another as can donor and civil society organisations, who are all increasingly working on institutionalising monitoring and evaluation in (parts of) their organisations.

Box 4: The Need for Monitoring and Evaluation

Monitoring and Evaluation is a powerful public management tool that can be used to improve the way governments and organizations achieve results. Just as governments need financial human resource, and accountability systems, governments also need good performance feedback systems.

Source: Kusek & Rist, Ten Steps to a Results-Based Monitoring and Evaluation System

Various Levels on which M&E can be practised in Development Programming

M&E challenges need to be tackled on multiple levels. There has been a move away from single stand-alone projects towards programmatic and sector wide approaches. In M&E, this has resulted in the development of programmatic and sector wide frameworks. Various development agencies, in response to mounting requirements for accountability,

have been developing M&E systems to show results obtained, especially on the organisational level of the country office. For an overview of the various levels on which M&E can be applied see box 5 below.

With the increase of partnerships formed to reach development goals, there is a need for M&E systems that cover these wider partnership efforts, rather than the efforts of each of the agencies involved. Moreover there is the challenge that the MDGs actually ask for results-based M&E systems beyond the country level, which requires harmonization and coordination across national systems and the systems of UN agencies, multilateral and bilateral donors, civil society and others concerned.

Box 5: Multiple Levels on which M&E can be applied

Project level: looking at a relatively short term focussed endeavour often by one donor organisation in cooperation with partner agencies

Programme level: a longer term endeavour, of one or more donor agencies in cooperation with multiple partner agencies

Sector level: looking at a sector wide longer term programmatic approach with the involvement of multiple donors and sector specific partner agencies

Organisational level: the whole of programmatic efforts of a single donor organisation, in cooperation with other donors and partner agencies

National Country level: the effects of all programming of international donors and national efforts (ODA and non ODA) on development and poverty alleviation

Regional level: looking at the effects of specific region wide interventions and policies and the summative information of nation based statistics in order to compare regional development trends and patterns

Global level: looking at the effects of specific global interventions and policies and the summative information of nation based statistics in order to identify global development trends and pattern.

Inherent Challenges in M&E systems for MfDR

There are various inherent challenges in the application and institutionalisation of stronger results-based approaches to M&E. Striking the right balances in various areas is important:

- ❖ Balancing the needs and requirements of the various stakeholders including domestic and foreign stakeholders and the public. The important point here is whose questions the M&E system tries to answer, which relates to how the ownership of the M&E system is shared among the various stakeholders. A country specific focus from a national partner perspective needs to be balanced with an often more generic perspective of donor organisations reflecting their corporate policies and priorities.
- ❖ Balancing within M&E systems attention to the various levels of the results chain, including inputs, activities, outputs, outcomes and impact and their linkages. As outputs are easier to attribute to the activities performed, there is a tendency for management to focus on these aspects through performance monitoring, often leaving less resources for outcome monitoring, evaluation and impact assessment.

- ❖ For management purposes, usually moderate levels of rigour and quality of data are required (where the causal chain is strong and predictable) while impact assessments require high levels of methodological rigour and quality. Therefore it is important to balance different levels of methodological rigour and quality of data, given different uses of data.
- ❖ Balancing between accountability and learning. Accountability tends to be more backward looking, while learning tends to be more future-oriented. For accountability one might want to focus primarily on whether outputs have been reached, as these are the aspects that management can bear direct responsibility for. For learning one would look especially at the outcomes, when trying to establish which approaches are actually making a difference in poor people's lives.
- ❖ Balancing a bottom-up approach in which field managers gather context specific data and have relative autonomy to use these in decision making, in order to manage for results and a top-down approach, in which managers are held accountable on results produced through a set of standard indicators that can be aggregated on a corporate level.

Context-specific choices need to be made in the implementation of M&E, balancing the various aspects in a way that suits the country and local contexts.

Initiatives to further M&E in International Development Programming

Despite the considerable attention paid to M&E systems in the international discourse on MfDR³ and the attention given to monitoring within the planning processes of the poverty reduction strategies, M&E practice is still widely rooted in the traditional confines of project and programme implementation by single agencies. However, there are notable initiatives of innovative work, including country performance frameworks, joint evaluations and discussions on total ODA impact at the country level. Moreover, there are important opportunities for impact assessments to add to our learning.

Various organisations have developed country programme and organizational performance frameworks, including USAID, DFID, and the World Bank in order to measure progress. Country programme, sector and national level approaches focus their attention on higher level objectives and outcomes and represent a more strategic perspective to performance management. They are based on the assumption of increased harmonisation of ways to assess progress.

Joint evaluations⁴ have moved from a multi-donor initiative to more focus on partners' participation, reflecting the increased attention to partnerships as well as national ownership of development processes and their evaluation. There has been a shift towards so-called "hybrid" multi-partner evaluations, which comprise a variety of more complex forms, in which responsibilities can be delegated to one or more agencies, in which some parts can be joint while others are undertaken separately, in which separate but parallel evaluations are linked in various ways, or which can concern separate

³ Expressed also in the Paris Declaration, in which Managing for Results has a prominent place. The Paris Declaration is available at <http://www.oecd.org/dataoecd/11/41/34428351.pdf>.

⁴ An overview of the experiences in joint evaluations is presented in OECD DAC Evaluation Network Working Paper *Joint Evaluations: Recent Experiences, Lessons Learned and Options for the Future*.

evaluations linked by a common evaluation framework. Moving towards different aid modalities including general budget support and sector wide approaches has stimulated the demand for joint evaluations as these kind of support mechanisms tend to blur the distinguishable impact of donor agencies, pushing agencies to assess the impact of their combined efforts. Joint evaluations moreover, reduce transaction costs and provide the opportunity to learn on additional levels, beyond single agencies.

Discussions have started on an additional way of evaluating development aid through evaluating the total of ODA impact on a country level. Various models have been produced so far but no general consensus has emerged yet. It is not clear what exactly the added value of this approach would be, nor how it would be done in a methodologically appropriate way.

Although impact assessment is an important means for learning about what approaches work in which kind of contexts, relatively few methodologically rigorous impact evaluations have been conducted.⁵ In order to inform development programming, focused studies are required in which development interventions and approaches are linked to the outcomes these produce in a credible way, making use of sufficiently rigorous mixed methodologies. Given the costs and efforts required for impact evaluations, there is a need for improved coordination across countries and institutions, to prioritise studies around key themes. Moreover, thematic evaluations, meta-evaluations and strategic impact enquiries across organisations and partners could add additional levels of learning.

In the past results-based management has at times been over-ambitious, creating systems with a huge amount of indicators. M&E systems need to be commensurate with the development effort that they support. Instead of elaborate and cumbersome systems, one needs to develop relatively simple systems, with focused sets of indicators and a balance between on-going monitoring and intermittent evaluation.

Building M&E systems and capacities

Although there are numerous technical aspects in M&E that need to be dealt with in building M&E systems, there are also less obvious political and organisational aspects that need to be included. Institutionalising results-based management and a results-based M&E system requires consistent political leadership and a great deal of political will. Not everyone might be enthusiastic to bring government performance into the public arena, and to move towards policy making informed by results-based monitoring and evaluation.

Closely related to the political aspects, there are a set of organisational aspects that need to be considered as well. Introducing or reinforcing results-based approaches needs the values and principles of results-based approaches to be taken up in all aspects of the organization, including human resources (e.g. in individual performance appraisals) and financial management (e.g. allocating resources according to impact). Moreover, assigning responsibilities for M&E implies changes to the organisational structure. Developing countries will need to establish or reinforce a political and administrative culture which puts a high value on transparency and accountability,

⁵ See Center for Global Development: *When Will We Ever Learn? Improving Lives Through Impact Evaluation*. May 2006. Report of the Evaluation Gap Working Group.

avoidance of conflicts of interest and concern for ethics, throughout their public administration system. Such a change process obviously has many implications and requires guidance and support from political decisionmakers in government and senior management in organisations.

With such an all encompassing process of change where does one begin? There are examples of trying to introduce M&E throughout a government system, starting in selected ministries or selected parts of programming or customer groups. Moreover, mixtures of these approaches have been tried.

In the process of M&E capacity development there are roles for government agencies, evaluation associations and civil society organisations. There is a need for donors to harmonize their M&E requirements in order to support countries in building their own M&E systems and capacities.

Conclusions

M&E systems for MfDR offer powerful management tools in public sector as well as other organisations. In helping governments and organisations demonstrate outcomes and impact, they can enhance accountability and at the same time provide means for learning, in order to enhance and maximise outcomes and to help reach the goals set. Especially enhanced accountability can contribute significantly to improving governance of public as well as other organisations. Work on country performance frameworks, joint evaluations and discussions about the total ODA impact at country level are important initiatives which promote M&E beyond the confines of projects and programmes and provide new opportunities for learning across countries and organizations.

Building M&E systems and their required capacities is a long-term effort and will require sustained support on multiple levels.