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What Is M&E? An M&E Primer

There are many related terms and concepts in the field of M&E. These can be confusing. Moreover, different countries and different development agencies often use varying definitions of similar concepts. DAC has developed a glossary of key terms and concepts in an effort to reduce this confusion and achieve some harmonization (DAC 2002). Annex E provides that text. This chapter offers a broader overview discussion.

Performance indicators are measures of inputs, activities, outputs, outcomes, and impacts of government activities. Indicators can be very high level, in terms of measuring the government's performance relative to the MDGs or the national development plan, or in terms of ministry and agency activities and outputs. They are useful for setting performance targets, for assessing progress toward achieving them, and for comparing the performance of different organizations. They are a relatively inexpensive means of measuring government performance on a frequent basis.

Although performance indicators can be used to identify problems, thus allowing corrective action to be taken, a limitation is that they do not usually reveal whether government actions led to improved performance. They can, however, be used to flag the need for a follow-up review or evaluation of an issue. A common danger with performance indicator systems is overengineering the system by including too many underutilized indicators; this can lead to poor-quality data.

Rapid appraisal methods are quick, low-cost ways to gather the views and feedback of beneficiaries and other stakeholders. These views provide rapid information for management decision making, especially at the activity or program level. Methods include interviews, focus group discussions, direct observation, and mini-surveys. It can be difficult to generalize the findings from these qualitative methods. They are also less valid, reliable, and credible than formal surveys.

Rapid evaluation involves a formal review of a government activity or program. In Chile, for example, rapid evaluations entail desk reviews by external consultants of a program's objectives and preparation of a logframe analysis (which maps the causal links between government activities and desired outcomes and impacts). Any available data (including performance indicators) are analyzed to assess the efficiency and effectiveness of the activity. The World Bank uses this approach in many of its ex ante and ex post project evaluations. The Bank also uses a range of additional information in its ex post evaluations, including the findings

of supervision missions, key informant interviews, and any primary or secondary data that have been collected.

The main strengths of rapid evaluations are their speed and relatively low cost. Their main disadvantages—compared with more rigorous approaches—are their weaker empirical evidence and much weaker data-analysis techniques. They also face difficulty in identifying possible causal relationships between government actions and subsequent improvements in performance.

Impact evaluation focuses on the outcomes and impacts of government activities. Rapid evaluation methods can be used to estimate impact, but more sophisticated methods of impact evaluation can provide much more reliable and persuasive findings. Such methods entail the comparison of program beneficiaries with control or comparison groups at two or more points in time. Advanced statistical techniques are used to identify the precise impacts of the program on beneficiaries. This type of evaluation is highly demanding in

terms of data and can be very expensive; however, there are ways this cost can be reduced significantly. It is necessary to plan such evaluations well in advance of when their findings will be needed, as it is usually not possible to conduct them quickly. Although sophisticated evaluations are often expensive, they can be highly cost-effective when they lead to even marginal improvements in program performance.

Comprehensive spending reviews are a type of policy evaluation. Chile's finance ministry uses these to review all programs within a particular functional area, such as schools. These entail desk reviews of issues of inefficiency and program duplication. The United Kingdom's biennial spending reviews investigate these issues, as well as program outcomes and government priorities.

The advantages and disadvantages, costs, skills, and time needed to use these M&E tools are discussed in *Monitoring and Evaluation: Some Tools, Methods and Approaches* (IEG 2004b). See also DAC's evaluation glossary (2002) and annex E.