IPDET

Handbook

Module 4

Building a Results-Based Monitoring and Evaluation System

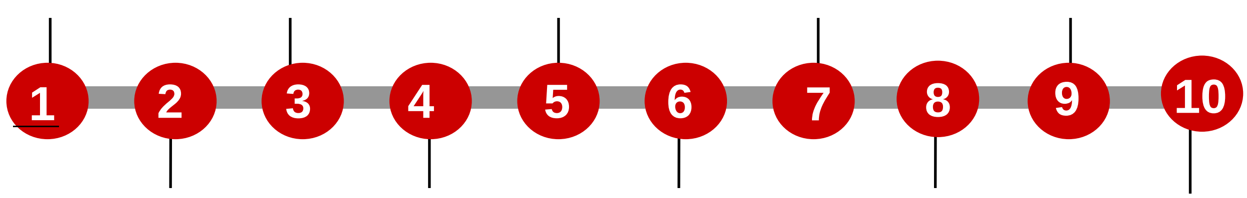
Introduction

In the previous module, you looked at traditional models for evaluation. In this module, you will learn about a performance- or results-based approach to monitoring and evaluation.

There are six topics in this module. They are:

- Importance of Results-Based M & E
- What Are Results-Based M & E?
- Reasons to Do Results-Based M & E
- Traditional vs. Results-Based M & E
- The Ten Steps to Building Results-Based M & E
- Concluding Comments.

Results-based-based Monitoring and Evaluation



Learning Objectives

By the end of the module, you should be able to:

- describe the reasons why a monitoring and evaluation system is a valuable tool to support good management
- describe results-based monitoring and evaluation systems
- compare traditional evaluation to results-based evaluation
- describe the ten steps for building a results-base monitoring and evaluation system
- describe how to plan a results-based monitoring and evaluation system
- describe how to implement a results-based monitoring and evaluation system.

Key Words

You will find the following key words or phrases in this module. Watch for these and make sure that you understand what they mean and how they are used in the course.

results-based

performance-based

set of indicators

evaluation system

readiness assessment

incentives

roles and responsibilities

organizational capacity

barriers

indicator development

clear, relevant, economic, adequate, monitorable

baseline data

performance baseline

primary baseline data sources

secondary baseline data sources

interim targets

direct indicators

proxy indicators

demand

structure

trustworthy and credible information

accountability

capacity

Importance of Results-based M&E

There are growing pressures in developing countries to improve the performance of their public sectors. One strategy to address this need is to design and construct results-based monitoring and evaluation (M&E) systems. These strategies track the results produced (or not produced) by governments and other entities. This module describes a ten-step approach to the design and construction of a **results-based** M&E system that is currently being implemented in a number of developing countries (see Figure 4.1).

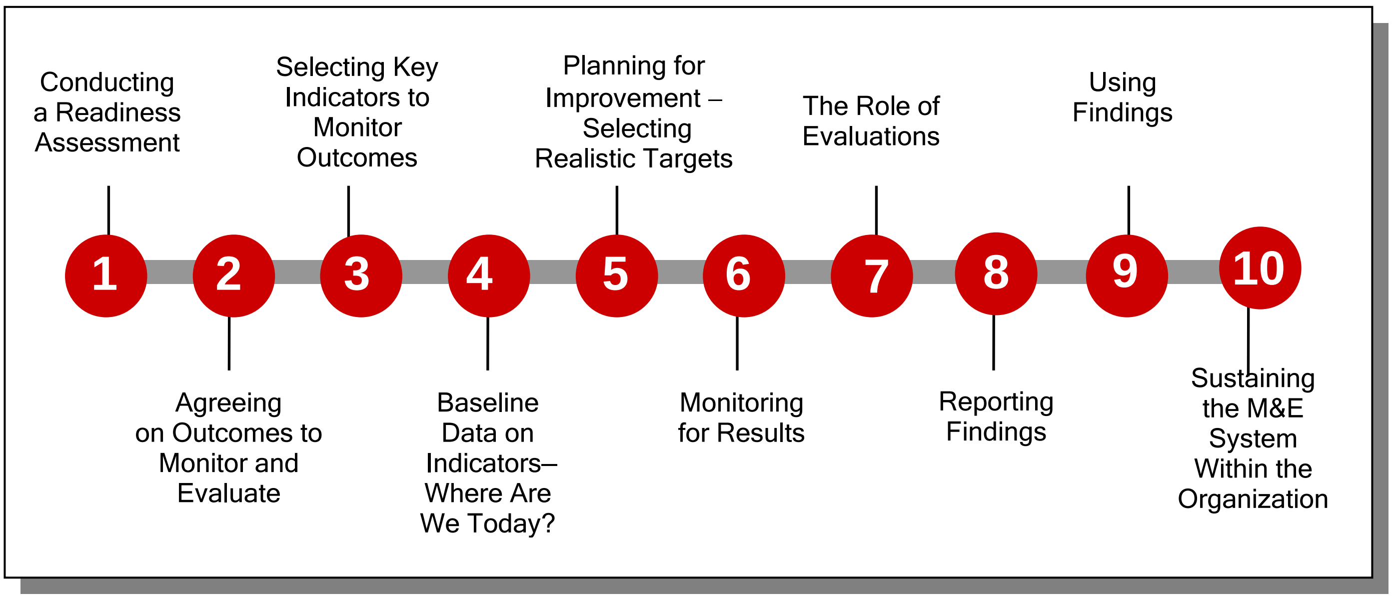


Fig. 4.1: Ten Steps to Designing, Building and Sustaining a Results-based Monitoring and Evaluation System

The overall strategy outlined in this module builds on the experiences of developed countries—especially those in the OECD—but also reflects the particular challenges and difficulties faced by developing countries, that can range from a lack of skill capacity to poor governance structures to systems that are far from transparent.[1]

Although the primary focus of this module is on improving government effectiveness and accountability through the use of a sound monitoring and evaluation system, the principles and strategies apply equally well to organizations, programs, and projects.

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[1] For a more in-depth discussion of these issues, see Kusek and Rist (2004), from which much of the content for this module was drawn.

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.[2]

What Is Results-based Monitoring and Evaluation?

Results-based information can come from two sources—a monitoring system and an evaluation system. Both of these systems are essential for effective management; they are distinct but complementary.

Results-based monitoring is a continuous process of measuring progress toward explicit short, intermediate, and long-term results. It can provide feedback on progress (or lack of progress) to staff and decision-makers who can use the information in various ways to improve performance.

[2] Adapted from David Osborn and Ted Graebler. Reinventing government. (Boston, Mass.: Addison-Wesley Publishing, 1992)..

Definition of Results-based Monitoring

Results-based monitoring (what we call “monitoring”) is a **continuous process** of collecting and analyzing information, and **comparing actual results to expected results** in order to measure how well a project, program or policy is being implemented.

Definition of Results-based Evaluation

Results-based evaluation is an assessment of a planned, ongoing, or completed intervention to determine its relevance, efficiency, effectiveness, impact, and sustainability. The intention is to provide information that is credible and useful, enabling incorporation of lessons learned into the decision making process of recipients.

The main differences between results-based monitoring and evaluation are that:

- Monitoring is focused on tracking evidence of movement towards the achievement of specific, predetermined targets.
- Evaluation takes a broader view of an intervention, asking if the progress towards the target or explicit result is caused by the intervention or if there is some other explanation for the changes showing up in the monitoring system. Examples of questions include:
  - Whether the goals were relevant and worthwhile in the first place?
  - How effectively and efficiently they are being achieved?
  - What other unanticipated effects have been caused by the intervention?
  - Whether the intervention as a package represents the most cost-effective and sustainable strategy for addressing a particular set of identified needs?

Reasons to Do Results-Based Monitoring and Evaluation

A results-based M&E system provides crucial information about public sector or organizational performance. It can help policy makers, decision makers, and other stakeholders answer the fundamental questions of whether promises were kept and goals achieved. If governments are promising improved performance, monitoring and evaluation is the means by which improvements – or a lack of improvements – can be demonstrated.

By reporting the results of various interventions, governments and other organizations can promote credibility and public confidence in their work. Such practices also support a development agenda that is shifting towards greater accountability for aid lending.

A good results-based M&E system can be extremely useful as a management and motivational tool. It helps focus people's attention on achieving outcomes that are important to the organization and its stakeholders, and provides an impetus for establishing key goals and objectives that address these outcomes. It also promotes to managers crucial information on whether the theory of change guiding the intervention is appropriate, correct, and adequate to the changes being sought through this intervention.

Once targets are established and the organization is striving to achieve them, the M&E system can provide timely information to staff about progress, and can help with the early identification of any weaknesses that require corrective action. A good M&E system is an essential source of information for streamlining and improving interventions to maximize the likelihood of success.

Results-based M&E systems can also provide a view over time of the status of a project, program, or policy. Because governments and other organizations often have multiple projects, programs, and policies implemented at any one time, it is essential to have some means of tracking how well they are working.

A good M&E system helps identify promising interventions early so that they can potentially be implemented elsewhere. Having data available about how well a particular project, practice, program, or policy works provides useful information for formulating and justifying budget requests. It also allows judicious allocation of scarce resources to the interventions that will provide the greatest benefit.

Traditional vs. Results-Based M&E

It is not a new phenomenon for governments to monitor and evaluate their own performance. Governments have, over time tracked their:

- expenditures and revenues
- staffing levels and resources
- program and project activities
- numbers of participants
- goods and services produced, etc.

A theoretical distinction needs to be drawn, however, between traditional M&E and results-based M& E.

Traditional M&E focuses on the monitoring and evaluation of inputs, activities, and outputs (i.e., on project or program implementation).

Results-based M&E, in contrast, combines the traditional approach of monitoring implementation with the assessment of results (see Figure 4.2).

It is this linking of implementation progress with progress in achieving the desired objectives or goals (results) of government policies and programs that makes results-based M&E most useful as a tool for public management. Implementing this type of M&E system allows the organization to modify and make adjustments to the theory of change as well as the implementation processes in order to more directly support the achievement of desired objectives and outcomes.

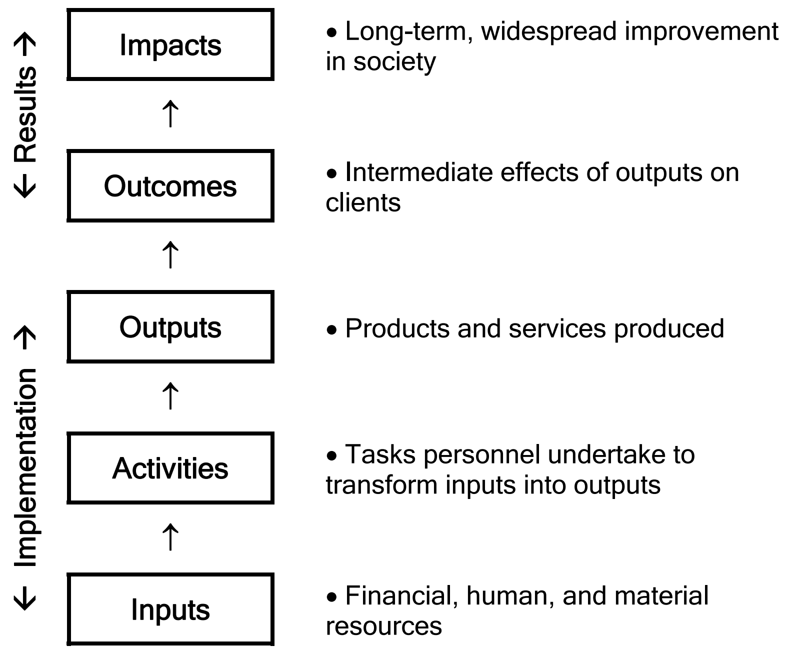

Fig. 4.2: Program Logic Model to Achieve Results – Outcomes and Impacts

Let us use this model to frame a results-based approach to reducing childhood morbidity, using oral re-hydration therapy (ORT) as an example as shown in Figure 4.3.

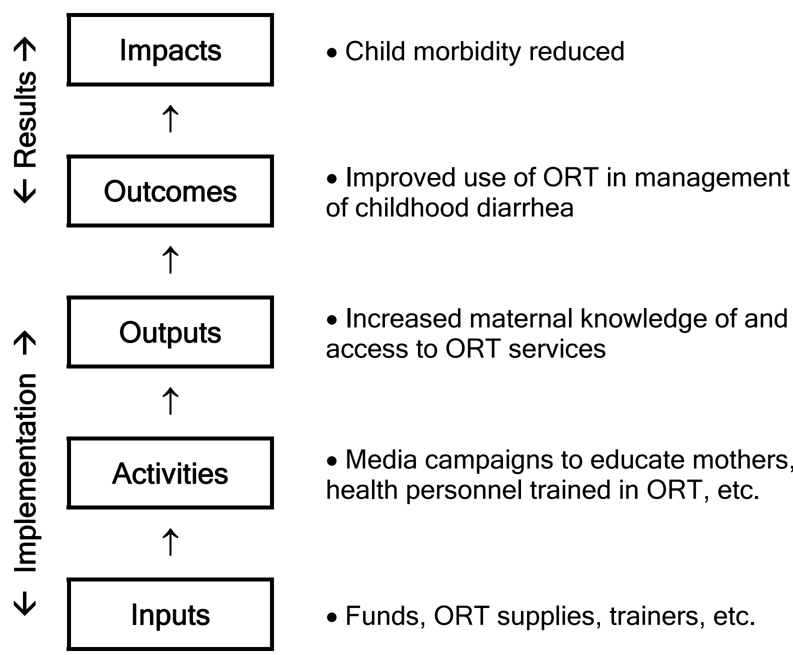

Fig. 4.3: Results-based Program Logic model to Reduce Childhood Morbidity via use of ORT

Indicators

Monitoring involves measurement—and what is measured is the progress towards achieving an outcome or impact (results.) However, the goal cannot be measured directly. It must first be translated into a **set of indicators** that, when regularly measured, will provide information whether or not the outcome or impact are being achieved.

For example: If country X selects the goal of improving the health of children by reducing childhood morbidity by 30% over the next five years, it must first identify a set of indicators that translate changes in the incidence of childhood morbidity into more specific measurements. Indicators that can help assess the changes in childhood morbidity might include:

- the incidence and prevalence of infectious diseases, such as hepatitis (a direct determinant)
- the level of maternal health (an indirect determinant)
- the degree to which children have access to sanitary water supplies.

It is the cumulative evidence of a cluster of indicators that managers examine to see if their program is making progress.

Measuring a **disaggregated set of indicators** (a set of indicators that have been divided into constituent parts) provides important information as to how well government programs and policies are working to support the overall goal.

If, for example, it is found that over time, fewer and fewer children have clean water supplies available to them, then the government can use this information to reform programs aimed to improve water supplies, or strengthen those programs that provide information to parents about the need to sanitize water before providing it to their children.

It is important to note here that performance information obtained from a monitoring system *only reveals the performance of what is being measured at that time* – although it can be compared against both past performance and some planned level of present or anticipated performance. Monitoring data do not reveal *why* that level of performance occurred, nor does it provide causal explanations about changes in performance from one reporting period to another. This information comes from an evaluation system.

An **evaluation system** serves as a complimentary but distinct function from that of a monitoring system within a results-based management framework.

Building an evaluation system allows for:

- a more in-depth study of results-based outcomes and impacts
- bringing in other data sources than just extant indicators
- addressing factors that are too difficult or expensive to continuously monitor
- tackling the issue of why and how the trends being tracked with monitoring data are moving in the directions they are (perhaps most important).

Such data on impacts and causal attribution are not to be taken lightly and can play an important role in an organization making strategic resource allocations.

The Ten Steps to Building a Results-Based M & E System

Building a quality results-based M&E system involves ten steps (see also Figure 4.1):

1. Conducting a Readiness Assessment
2. Agreeing on Performance 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—Setting Realistic Targets
6. Monitoring for Results
7. The Role of Evaluations
8. Reporting Findings
9. Using Findings
10. Sustaining the M&E System Within the Organization.

Step One: Conducting a Readiness Assessment

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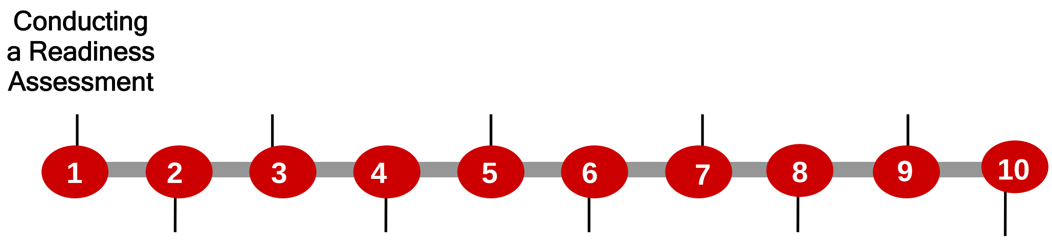


A **readiness assessment** is a way of determining the capacity and willingness of a government and its development partners to construct a results-based M&E system. This assessment addresses such issues as the presence or absence of incentives, roles and responsibilities, organizational capacity, and barriers to getting started.

Incentives. The first part of the readiness assessment involves understanding what incentives exist for moving forward to construct this M & E system and conversely, what dis-incentives will hinder positive progress. Specific questions to consider under this heading include:

1. What is driving the need for building an M&E system?
2. Who are the champions for building and using an M&E system?
3. What is motivating those who champion building an M&E system?
4. Who will benefit from the system?
5. Who will not benefit?

Roles and Responsibilities. Next, it is important to identify who is currently responsible for producing data in your organization and in other relevant organizations, and who the main users are of data. For example:

1. What are the roles of central and line ministries in assessing performance?
2. What is the role of parliament?
3. What is the role of the supreme audit agency?
4. Do ministries and agencies share information with one another?
5. Is there a political agenda behind the data produced?
6. Who in the country produces data?
7. Where in the government are data used?

Organizational Capacity. A key element driving the organization's readiness for a results-based monitoring and evaluation system relates to the skills, resources, and experience the organization has available.

Questions to ask when assessing organizational capacity include:

1. Who in the organization has the technical skills to design and implement such a system?
2. Who has the skills to manage an M&E system?
3. What data systems currently exist within the organization, and what quality are they?
4. What technology is available to support the necessary data system? Include database capacity, availability of data analysis, reporting software, etc. in your assessment.
5. What fiscal resources are available to design and implement an M&E system?
6. What experience does the organization have with performance reporting systems?

Barriers. As with any organizational change intervention, it is important to consider what could potentially stand in the way of effective implementation. Questions to ask here include:

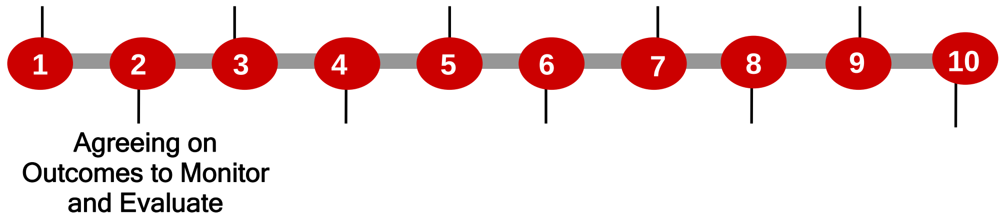
1. Do any of these immediate barriers now exist to getting started in building an M&E system?
   - Lack of fiscal resources
   - Lack of political will
   - Lack of a champion for the system
   - Lack of an outcome-linked strategy
   - Lack of prior experience
2. How do we confront these barriers?

Key Questions for Predicting Success

- Does a clear mandate exist for M & E?
  - PRSP (Poverty Reduction Strategy Papers)? Law? Civil Society? Other?
- Is there the presence of strong leadership at the most senior levels of the government?
- How reliable is information that may be used for policy and management decision making?
- How involved is civil society as a partner with government?
- Are there pockets of innovation that can serve as beginning practices or pilot programs?

At the end of the readiness assessment, senior government officials confront the question of whether to move ahead with constructing a results-based M & E system or not. Essentially, the question is “go-no go?” (now, soon, or maybe later.) If the decision is to move forward, we are ready to consider Step Two.

Step Two: Agreeing on Performance Outcomes to Monitor and Evaluate



As we have mentioned previously, it is important to generate an interest in assessing the outcomes and impacts the organization or government is trying to achieve, rather than simply focusing on implementation issues (inputs, activities, and outputs). After all, outcomes are what tell you whether or not the specific intended benefits have been realized.

Strategic outcomes and impacts focus and drive the resource allocation and activities of the government and its development partners. These impacts should be derived from the strategic priorities of the country. Issues to consider when generating a list of outcomes include:

- Are there stated national/sectoral goals?
- Have political promises been made that specify improved performance in a particular area?
- Do citizen polling data (e.g. "citizen scorecards") indicate specific concerns?
- Is aid lending linked with specific goals?
- Is authorizing legislation present?
- Is the government making a serious commitment to achieving the Millennium Development Goals (MDGs)?

There are many different strategies available for gathering information about the concerns of major stakeholder groups. These include brainstorming sessions, interviews, focus groups, and surveys. When using these methods, try to keep the focus on existing concerns, rather than imagined future problems.

Table 4.1a shows the first step in developing outcomes for one policy area (education) – setting clear outcomes.

Table 4.1 a: Developing Outcomes for Education Policy

Outcomes	Indicators	Baselines	Targets
1. Nation's children have improved access to pre-school programs			
2. Primary school learning outcomes for children are improved.			

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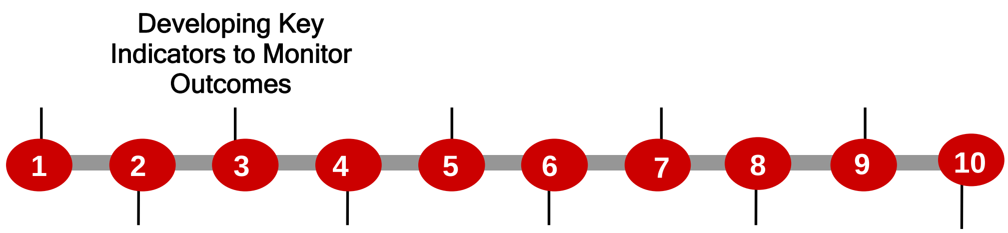
Summary of Outcomes -- Why an Emphasis on Outcomes?

- Makes explicit the intended objectives of government action.
  - (Know where you are going before you get moving")
- Outcomes are the results governments hope to achieve.
- Clearly setting outcomes is key to designing and building results-based M & E Systems.
- **IMPORTANT: Budget to outputs, manage to outcomes!**
- Outcomes are usually not directly measured – only reported on.
- Outcomes must be translated to a set of key indicators.

Step Three: Developing Key Indicators to Monitor Outcomes



As the old adage goes, "What gets measured gets done." Specification of exactly what is to be measured in order to gauge achievement of outcomes not only helps us track progress; it can also be a powerful motivating tool to focus efforts if it is done early enough in the process.

An **indicator** is a specific measure that when tracked systematically over time, indicates progress (or not) toward a specific target. Indicators are traditionally numerical.

An outcome indicator answers the question:

How will we know success when we see it?

Indicator development is a core activity in building an M&E system and drives all subsequent data collection, analysis, and reporting. The political and methodological issues in creating credible and appropriate indicators are not to be underestimated. According to Schiavo-Campo, good indicators (we use the mnemonic: the "CREAM" of good performance) should be:

- **Clear** (precise and unambiguous)
- **Relevant** (appropriate to the subject at hand)
- **Economic** (available at reasonable cost)
- **Adequate** (able to provide sufficient basis to assess performance)
- **Monitorable** (amenable to independent validation).[3]

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[3] Salvatore Schiavo-Campo. "Performance' in the Public Sector." *Asian Journal of Political Science* (1999). 7(2): 75-87.

Sometimes it is possible to minimize costs by using pre-designed indicators. However, it is important to consider how relevant they are (and will be perceived to be) to the specific country's context. Some may need to be adapted to fit, or supplemented with others that are more locally relevant.

When selecting indicators, be sure to select more than one for each outcome. Expect to add new ones and drop old ones over time as you improve and streamline the monitoring system.

How many indicators are enough? The **minimum number** that answers the question:

Has the outcome been achieved?

Figure 4.4 shows a matrix that must necessarily be completed before you can begin to use an indicator in your M & E system.

Indicator	Data source	Data collection method	Who will collect data	Frequency and cost to collect	Difficulty to collect	Who will analyze and report data	Who will use the data?
1.							
2.							
3.							

Fig. 4.4: Matrix for Selecting Indicators

The matrix shown in Figure 4.4 is very important. By completing each cell in the matrix, for each indicator, you will have a better idea of the feasibility of actually deploying each indicator. You may not have data systems available for each indicator. The performance indicators you choose and the data collection strategies to collect information on these indicators need to be grounded in reality[4]. Consider:

- what data systems are in place
- what data can presently be produced
- what capacity exists to expand the breadth and depth of data collection and analysis.

[4] J. Kusek, and R. Rist (2004). *Ten steps to a results-based monitoring and evaluation system.* Washington, D.C.: World Bank. p 83.

Table 4.1b shows the second step in developing outcomes for education policy – identifying the indicators that will be used to measure performance.

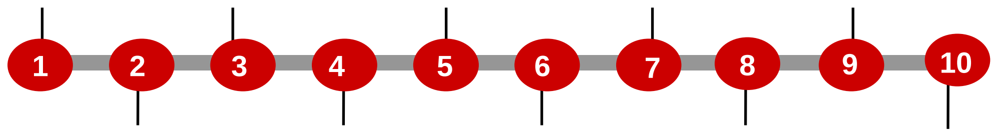
Table 4.1b: Developing Outcomes for Education Policy (continued, showing indicators)

Outcomes	Indicators	Baselines	Targets
1. Nation's children have improved access to pre-school programs	1. % of eligible urban children enrolled in pre-school education 2. % of eligible rural children enrolled in pre-school education		
2. Primary school learning outcomes for children are improved	1. % of Grade 6 students scoring 70% or better on standardized math and science tests 2. % of Grade 6 students scoring higher on standardized math and science tests in comparison to baseline data		

Summary of Developing Indicators

- You will need to develop your own indicators to meet your own needs.
- Developing good indicators often takes more than one try!
- Arriving at the final indicators you will use will take time!
- All indicators should be stated neutrally, not as "increase in" or "decrease in."
- Pilot, Pilot, and Pilot!

Step Four: Gathering Baseline Data on Indicators



Baseline Data on Indicators – Where Are We Today?

The measurement of progress (or a lack of it) towards outcomes begins with the description and measurement of initial conditions being addressed by the outcomes. Collecting **baseline data** essentially means taking the first measurements of the indicators to find out, "Where are we today?"

A **performance baseline** is information (qualitative or quantitative) about performance on the chosen indicators at the beginning of (or immediately prior to) the intervention. In fact, one consideration when choosing indicators is the availability of baseline data, which will allow performance to be tracked relative to that baseline.

Sources of baseline data can be either **primary** (gathered specifically for this project) or **secondary** (collected for another purpose, but can be used). Secondary data can come from within your organization, from the government, or from international data sources. Secondary data can save you money when acquiring data, but be careful to check that it really is the information you need – you will find it extremely difficult to go back and get primary baseline data if you later find out that the secondary source does not meet your needs!

Possible sources of data include:

- written records (paper and electronic)
- individuals involved with the intervention
- the general public
- trained observers
- mechanical measurements and tests
- geographic information system.

Once you have chosen your sources of baseline data, you will need to decide who is going to collect the data, and how. Here you will need to develop data collection instruments such as forms for gathering information from files or records, interview protocols, surveys, and observational instruments. As you develop these collection instruments, keep in mind the practical issues:

- Are quality data currently available (or easily accessible)?
- Can data be procured on a regular and timely basis, to allow tracking of progress?
- Is the planned primary data collection feasible and cost-effective?

There are many ways to collect data, you will learn more about these in Module 10. Figure 4.14 summarizes many techniques and displays them from least formal to more structured, formal techniques.

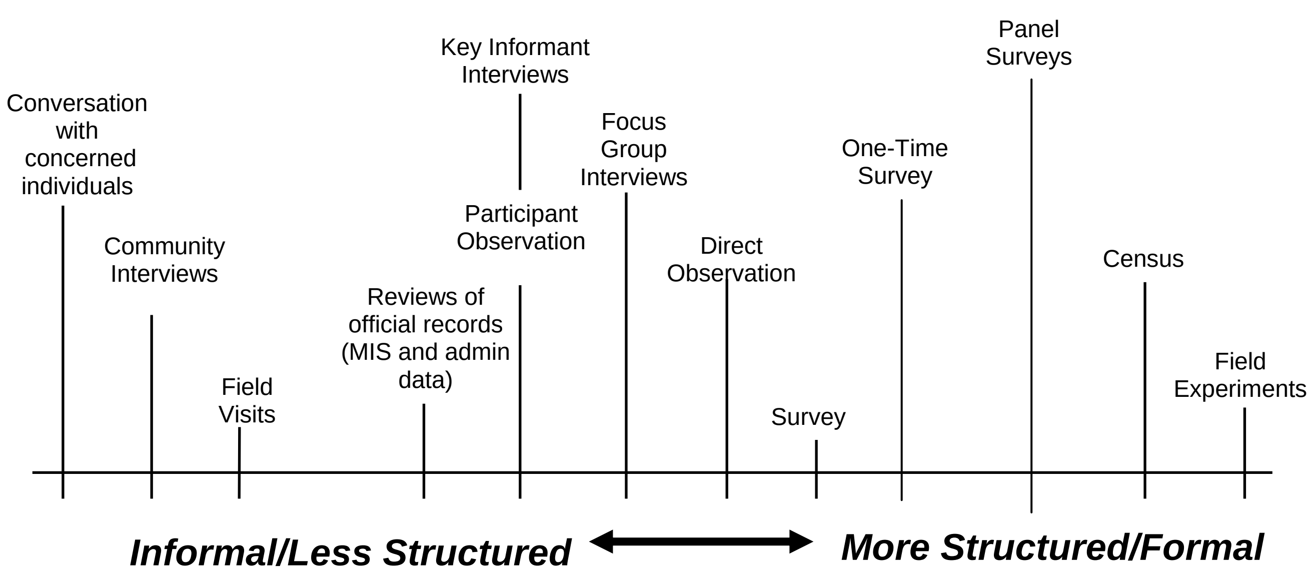


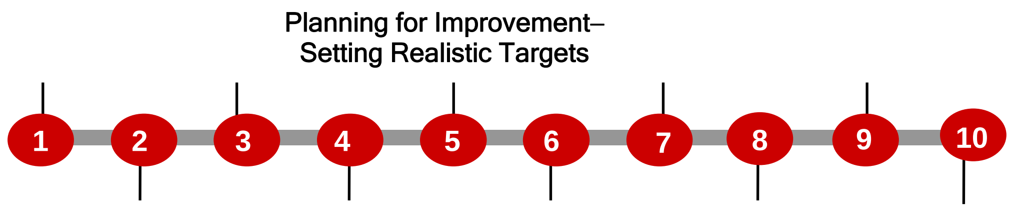
Fig. 4.5: Summary of Data Collection Methods

Table 4.1c shows the third step in developing outcomes for eduction policy – establishing baselines.

Table 4.1c: Developing Outcomes for Education Policy (continued, showing baseline data)

Outcomes	Indicators	Baselines	Targets
1. Nation's children have improved access to pre-school programs	1. % of eligible urban children enrolled in pre-school education	1. 75% urban in 1999	
	2. % of eligible rural children enrolled in pre-school education	2. 40% rural in 2000	
2. Primary school learning outcomes for children are improved	1. % of Grade 6 students scoring 70% or better on standardized math and science tests	1. 47% in 2002 scored 70% or better in math. 50% in 2002 scored 70% or better in science	
	2. % of Grade 6 students scoring higher on standardized math and science tests in comparison to baseline data	2. Mean % score in 2002 for Grade 6 students for math was 68%, and 53% for science	

Step Five: Planning for Improvements–Setting Realistic Targets



Most outcomes and nearly all impacts in international development are long term, complex, and not quickly achieved.

Thus there is a need to establish **interim targets** that specify how much progress towards an outcome is to be achieved, in what time frame, and with what level of resource allocation. Measuring performance against these targets can involve both **direct** and **proxy indicators** as well as the use of both quantitative and qualitative data.

Referring back to the program logic model in Figure 4.5, we can think of **long-term impacts** as the goals the intervention is ultimately striving to achieve. Intermediate outcomes are feasible targets we hope to achieve along the way, and within a specified, realistic (political and budgetary) timeframe. When setting indicator targets, it is important to have a clear understanding of:

- the exact baseline starting point (e.g., average of last three years, last year, average trend)
- the levels of funding and personnel resources over the timeframe for the target
- the amount of outside resources expected to supplement the program's current resources
- relevant political concerns
- organizational (especially managerial) experience in delivering projects and programs in this substantive area.

Figure 4.16 shows how to identify the expected or desired level of project, program, or policy results by selecting performance targets.

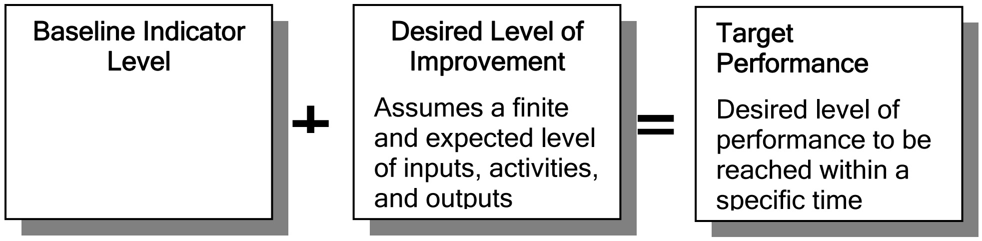


Fig. 4.6: Identifying Expected or Desired Level of Improvement Requires Selecting Performance Targets

Be sure to set only one target for each indicator. If the indicator has never been used before, be cautious about setting a specific target (set a range instead). Targets can be set for the intermediate or long tem; the important thing is to be realistic about how long it will take to achieve the target, and whether it is achievable or not.

Most targets are set yearly, but some can be set quarterly, others can be set for longer periods, but not more than five years.

It takes time to observe the effects of improvements, therefore, ***be realistic when setting targets***.

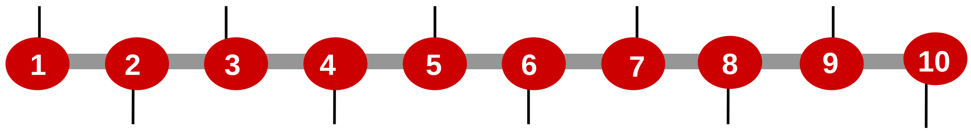
Table 4.1d shows the final step in developing outcomes for education policy – setting performance targets.

Table 4.1d: Developing Outcomes for Education Policy (continued, showing performance targets)

Outcomes	Indicators	Baselines	Targets
1. Nation's children have improved access to pre-school programs	1. % of eligible urban children enrolled in pre-school education	1. 75% urban in 1999	1. 85% urban by 2006
	2. % of eligible rural children enrolled in pre-school education	2. 40% rural in 2000	2. 60% by 2006
2. Primary school learning outcomes for children are improved.	1. % of Grade 6 students scoring 70% or better on standardized math and science tests	1. 45% in 2002 scored 70% or better in math. 50% in 2002 scored 70% or better in science	1. 80% by 2006 in math 67% by 2006 in science
	2. % of Grade 6 students scoring higher on standardized math and science tests in comparison to baseline data	2. Mean % score in 2002 for Grade 6 students for math was 68%, and 53% for science	2. Mean math test score in 2006 is 78%. Mean science test score in 2006 is 65%.

This completed matrix now becomes your results framework. It defines your outcomes and gives you a plan for how you will know if you have been successful (or not) in achieving these outcomes

Step Six: Monitoring for Results



Monitoring for Results

As mentioned before, a results-based monitoring system tracks both implementation (inputs, activities, outputs) and results (outcomes and impacts). Figure 4.7 shows these key types of Monitoring and how each fits in with the model.

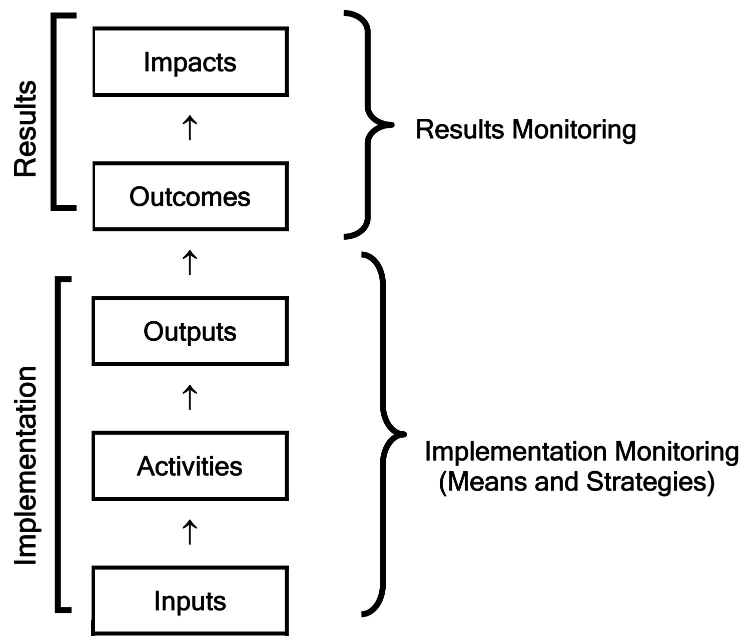


Fig. 4.7: Key Types of Monitoring.

Each outcome will have a number of indicators, each of which will have a target. In order to achieve those targets, there are a series of activities and strategies that need to be coordinated and managed. Figure 4.8 illustrates the relationships of outcomes to targets and how implementation monitoring links to results monitoring.

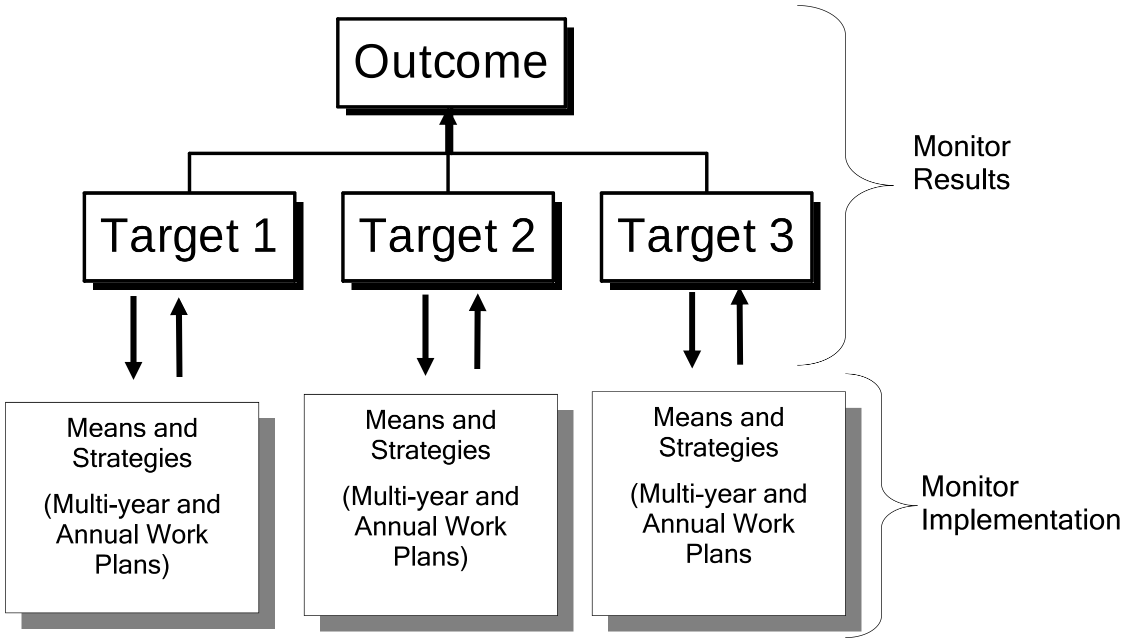


Fig. 4.8: Implementation Monitoring Links to Results Monitoring

Figure 4.9 shows linking implementation monitoring to results monitoring with an example of reducing child mortality.

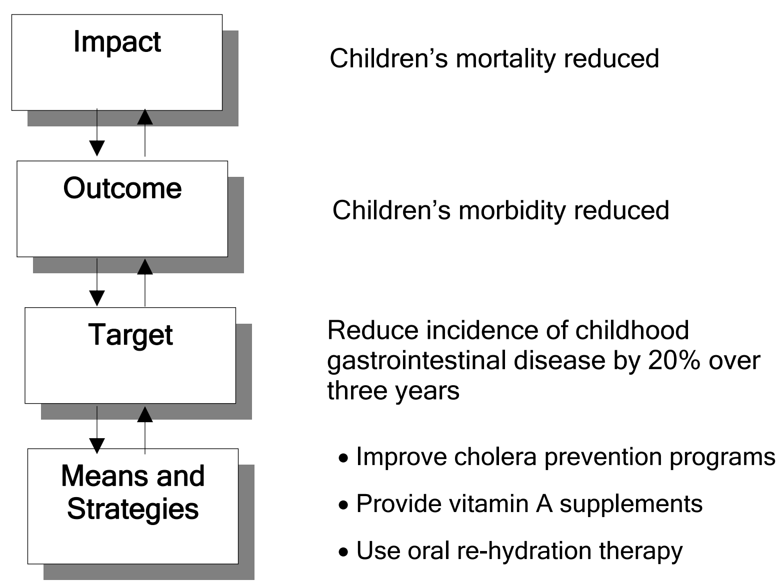


Fig. 4.9: Linking Implementation Monitoring to Results Monitoring

Working with partners is increasingly the norm for development work. This is illustrated in Figure 4.21. Notice the number of partners included in the lowest level of this hierarchy — each potentially contributing: inputs, activities, and outputs as part of a strategy to achieve targets.

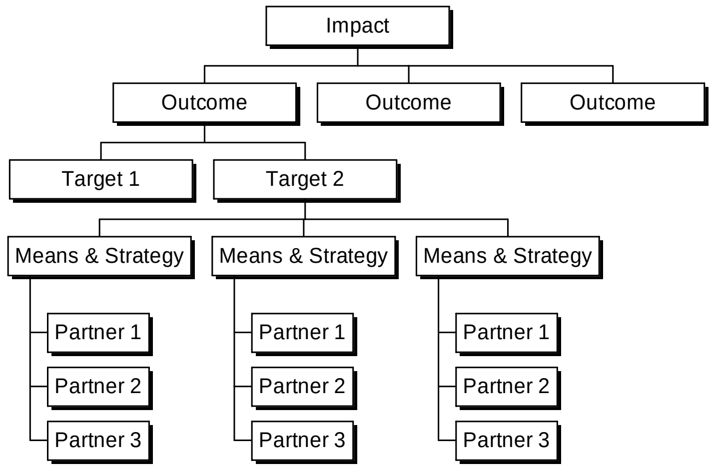


Fig. 4.21: Achieving Results through Partnership

A strong M&E system, like the program itself, must be supported through the use of management tools – a budget, staffing plans, and activity planning.

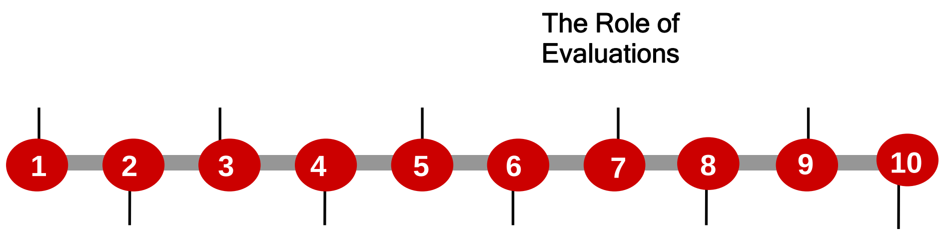
Building an effective M&E system involves administrative and institutional tasks such as:

- establishing data collection, analysis, and reporting guidelines
- designating who will be responsible for which activities
- establishing means of quality control
- establishing timelines and costs
- working through the roles and responsibilities of the government, the other development partners, and civil society
- establishing guidelines on the transparency and dissemination of the information and analysis.

To be successful, every monitoring system needs the following four things:

- ownership
- management
- maintenance
- credibility.

Step Seven: The Role of Evaluations



Although most of this module has concentrated on the development of a monitoring system, it is important to emphasize the role that evaluation has in supplementing information on progress toward outcomes and impacts. Whereas monitoring will tell us what we are doing relative to targets and outcomes, evaluation will tell us:

- whether we are doing the right things (strategy)
- whether we are doing things right (operations)
- whether there are better ways of doing it (learning).

Evaluation can address many important issues that go beyond a simple monitoring system. For example, the design of many interventions is based on certain causal assumptions about the problem or issue being addressed. Evaluation can confirm or challenge these causal assumptions using theory-based evaluation and logic models (see previous module). Evaluation can also delve deeper into an exciting or troubling result or trend that emerges from the monitoring system (e.g., finding out why girls are dropping out of a village school years earlier than boys.)

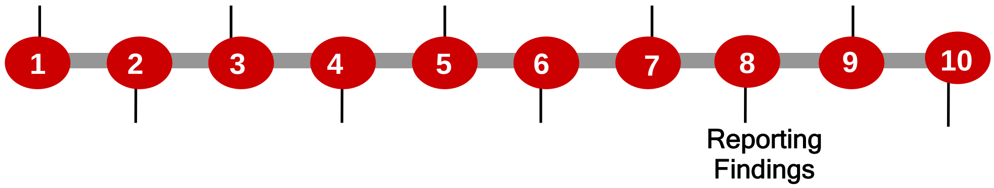
When should evaluation be used in addition to monitoring?

- any time there is an unexpected result that requires further investigation
- when resource or budget allocations are being made across projects, programs, or policies
- when a decision is being made whether or not to expand a pilot
- when there is a long period with no improvement, and it is not clear what the reasons for this are
- when similar programs or policies are reporting divergent outcomes (or when indicators for the same outcome are showing divergent trends).

Quality evaluations have these characteristics in common:

- impartiality
- usefulness
- technical accuracy
- stakeholder involvement
- feedback/dissemination
- value for money.

Step Eight: Reporting Findings



Analysis and reporting of M&E findings is a crucial step in this process, as it determines what findings are reported to whom, in what format, and at what intervals. Thinking carefully about the demand for information at each level of the organization, as well as the form in which that information will be most useful, and at what stage(s) of the project/program the findings should be reported is crucial.

Analyzing and reporting data:

- gives information on the status of projects, programs, and policies
- provides clues to problems
- creates opportunities to consider improvements in the implementation(projects, programs, or policy) strategies
- provides important information over time on trends and directions
- helps confirm or challenge the theory of change behind the project, program, or policy.

Be sure to find out when the main decision points are at the project, program, and policy levels, so that you know when M&E findings will be most useful for decision makers.

When analyzing and presenting data, be sure to do the following:

- Compare indicator levels with the baseline and targets, and provide this information in an easy-to-understand visual display.
- Compare current information to past data, and look for patterns and trends.
- Be careful about drawing sweeping conclusions based on small amounts of information. The more data points you have, the more certain you can be that trends are real.

Be sure to report all important results, whether positive or negative. A good M&E system should provide an early warning system to detect problems or inconsistencies, as well as being a vehicle for demonstrating the value of an intervention. Performance reports should include explanations about poor or disappointing outcomes, and document any steps already underway to address them.

Also, be sure to protect the messenger. Do not punish people for delivering bad results. Uncomfortable findings can indicate new trends or notify you of problems early on which allow managers time needed to solve these problems.

Table 4.2 shows an outcomes reporting format. It includes actual outcomes versus targets.

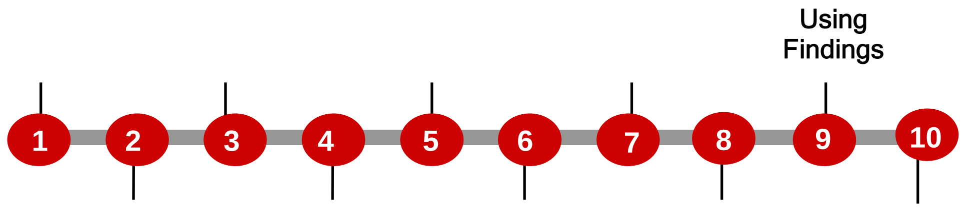
Table 4.2: Outcomes Reporting Format.

Outcome Indicator	Baseline %	Current (x) %	Target (y) %	Difference (y-x) %
Rates of hepatitis (N=6000)	30	35	20	-15
Percentage of children with improved overall health status (n=9000)	20	20	24	-4
Percentage of children who show 4 out of 5 positive scores on physical exams (N=3500)	50	65	65	0
Percentage of children with improve nutritional status (N=14,000)	80	85	83	+2

(fictional data)

Data analysis and reporting are covered in considerable detail in later modules.

Step Nine: Using Findings



The crux of an M&E system is not in simply generating results-based information, but in getting that information to the appropriate users in the system in a timely fashion so that they can take it into account (as they choose) in the management of the projects, programs, or policies. Development partners and civil society have important roles in using the information to strengthen accountability, transparency, and resource allocation procedures.

Ten Uses of Results Findings

1. Responds to elected officials' and the public's demands for accountability
2. Helps formulate and justify budget requests
3. Helps in making operational resource allocation decisions
4. Triggers in-depth examinations of what performance problems exist and what corrections are needed
5. Helps motivate personnel to continue making program improvements
6. Monitors the performance of contractors and grantees (it is no longer enough for them to document how busy they are)
7. Provides data for special, in-depth program evaluations
8. Helps provide services more efficiently
9. Supports strategic and other long-term planning efforts (by providing baseline information and later tracking progress)
10. Communicates better with the public to build public trust.

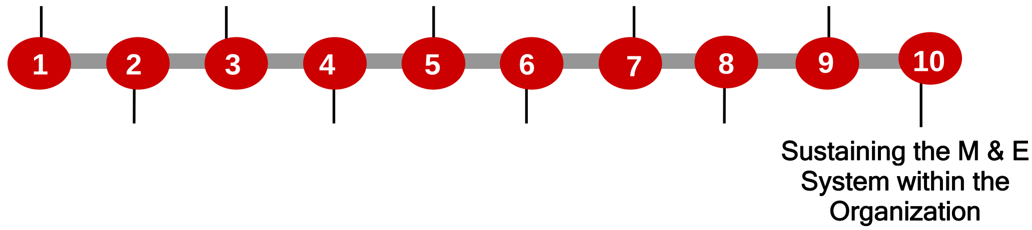
Some strategies for sharing information that can be implemented at the government level include:

- empowering the media
- enacting “Freedom of Information” legislation
- instituting E-government
- adding information on internal and external Internet files
- publishing annual budget reports
- engaging civil society and citizen groups
- strengthening parliamentary oversight
- strengthening the office of the auditor general
- share and compare results findings with development partners.

Understanding the utility of performance information for various users is a key reason for building an M & E system in the first place.

Key potential users in many societies are often left out of the information flow – citizens, NGO groups, and the private sector. The point is that monitoring and evaluation data have both internal (governmental) and external (societal) uses that need to be recognized.

Step Ten: Sustaining the M&E System within the Organization



Ensuring the longevity and utility of a results-based M&E system is serious business. There are six critical components crucial to the construction of a sustainable system:

- demand
- clear roles and responsibilities
- trustworthy and credible information
- accountability
- capacity
- incentives.

Each of these components needs continued attention over time to ensure the viability of the system.

Demand. One way of building demand for M&E information is to build in a formal structure that requires regular reporting of performance results (e.g., legislation, regulation, or an annual reporting requirement for organizational units). Another useful strategy is to publicize the availability of this information, thereby generating demand from government bodies, citizen groups, donors, and the general public. Third, by making a practice of translating strategy into specific goals and targets, those interested in the organization's strategic direction will also be interested in monitoring and evaluation against the associated goals and targets.

Clear Roles and Responsibilities. One of the most important structural interventions for institutionalizing an M&E system is the creation of clear, formal lines of authority, and responsibilities for collecting, analyzing, and reporting performance information. Second, issue clear guidance on who is responsible for which components of the M&E system – and build this into their performance reviews. Third, build a system that links the central planning and finance functions with the line/sector functions to encourage a link between budget allocation cycles and the provision of M&E information.

Finally, build a system where there is demand for information at every level of the system, i.e. there is no part of the system that information simply "passes through" without being used.

Trustworthy and Credible Information. The performance information system must be able to produce both good and bad news. Accordingly, the producers of this information will need protection from political reprisals. The information produced by the system should be transparent, and subject to independent verification (e.g., a review by the national audit office of the government, or an independent group of university professors).

Accountability. Consider the external stakeholders who have an interest in performance information, and find ways to share transparent information with them. Key stakeholder groups to consider include civil society organizations, the media, the private sector, and the government.

Capacity. Organizational capacity for readiness assessment prior to evaluation was one of the first things we considered in the building of an M&E system. Key elements to build on here include: sound technical skills in data collection and analysis, managerial skills in strategic goal setting and organization development, existing data collection and retrieval systems, the ongoing availability of financial resources, and institutional experience with monitoring and evaluation.

Incentives. Incentives need to be introduced to encourage use of performance information. This means that success needs to be acknowledged and rewarded, problems need to be addressed, messengers must not be punished, organizational learning is valued, and budget savings are shared. Corrupt or ineffective systems cannot be counted on to produce quality information and analysis.

Concluding Comments

As noted earlier, there is no orthodoxy that the building of an M&E system has to be done according to these ten steps. One can posit strategies that are more detailed in the number of steps as well as those with fewer numbers.

The issue is one of ensuring that key strategies and activities are recognized, clustered together in a logical manner, and then done in an appropriate sequence.

Last Reminders

- The demand for capacity building never ends! The only way an organization can coast is downhill.
- Keep your champions on your side and help them.
- Establish the understanding with the Ministry of Finance and the Parliament that an M&E system needs sustained resources – just as does the budget system.
- Look for every opportunity to link results information to budget and resource allocation decisions.
- Begin with pilot efforts to demonstrate effective results-based monitoring and evaluation.
- Begin with an enclave strategy (e.g. islands of innovation) as opposed to a whole-of-government approach.
- Monitor both implementation progress and results achievements.
- Complement performance monitoring with evaluations to ensure better understanding of public sector results.

Summary

In this module you learned about a results-based approach to monitoring and evaluation. Review the following checklist. Check those items that you can complete and review those that you cannot.

- ❑ describe reasons that a monitoring and evaluation system is a valuable tool to support good management
- ❑ describe results-based monitoring and evaluation systems
- ❑ compare traditional evaluation to results-based evaluation
- ❑ describe the ten steps for results-base monitoring and evaluation

1. Conducting a Readiness Assessment
2. Agreeing on Performance 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 – Setting Realistic Targets
6. Building A Monitoring System
7. The Role of Evaluations
8. Reporting Your Findings
9. Using Your Findings
10. Sustaining the M&E System Within Your Organization

Quiz Yourself

Answer the following multiple-choice questions to help test your knowledge of the importance of results-based monitoring and evaluation, and the ten steps to building such a system.

You will find the answers to the questions on the last page of this module.

1. Which of the following describes the **main difference between results-based M & E and traditional M & E**?
    a. Traditional M & E is focused on of specific, predetermined targets; results-based M & E takes a broader view of an intervention.
    b. Traditional M & E helps with early identification of promising interventions; results-based M & E focuses on analysis of interventions.
    c. Traditional M & E combines monitoring implementation with the assessment of results; results-based M & E focuses on specific, predetermined targets.
    d. Traditional M & E focuses on inputs, activities, and outputs; results-base M & E combines monitoring implementation with the assessment of results.
2. **List the ten steps** to building a results- or results-based M & E system.
3. What is a **readiness assessment**?
    a. a study to determine the needs of the stakeholders
    b. a way of determining the capacity and willingness of the stakeholders to undertake the efforts to design and build an M & E system.
    c. a study to determine the needs of the subjects of the intervention
    d. a way of determining the budget for an evaluation
4. Which of the following is **a list of the issues addressed in a readiness assessment**?
    a. incentives, roles and responsibilities, organizational capacity, barriers
    b. indicators, incentives, roles and responsibilities, barriers
    c. indicators, roles and responsibilities, organizational capacity, capacity
    d. incentives, organizational capacity, targets, barriers

5. The mnemonic "CREAM" helps you remember the **characteristics of good indicators**. What do the letters represent?
   a. consistent, realistic, economic, adequate, monetary
   b. clear, realistic, economic, adequate, monitorable
   c. clear, relevant, economic, adequate, monitorable
   d. consistent, relevant, ethical, adequate, many
6. Which of the following describes **secondary data**?
   a. data gathered specifically for this project
   b. data collected specifically for baseline data
   c. data collected for another purpose, but can be used
   d. data gathered for general information for more than one project
7. What are the key criteria that are seen to be crucial to the construction of a **sustainable** system?
   a. demand, sequence, trustworthy and credible information, incentives, capacity
   b. clear structure, trustworthy and credible information, accountability, capacity
   c. barriers, demand, clear structure, trustworthy and credible information, accountability, capacity
   d. demand, clear structure, trustworthy and credible information, accountability, capacity, incentives

Reflection

Think back about previous evaluations with which you have been involved.

- If you were involved in a traditional evaluation model, how would it have differed if it had been a results-based system?
- What changes will you need to make to use a results-based M & E system?

Application Exercise 4.1: Get the Logic Right

Instructions:

How ready is your organization to design and implement a results-based monitoring and evaluation system? Rate your organization on each of the following dimensions, giving comments to explain your rating. Discuss with a colleague any barriers to implementation, and how they might be addressed.

1. Incentives (circle one rating)

plenty of incentives   a few incentives   several disincentives

Comments:

Strategies for improvement:

2. Roles and Responsibilities (circle one rating)

very clear   somewhat clear   quite unclear

Comments:

Strategies for improvement:

(Application Exercise 4.1 cont.)

3. Organizational Capacity (circle one rating)

excellent adequate weak

Comments:

Strategies for improvement:

4. Barriers (circle one rating)

very few barriers no serious barriers serious barriers

Comments:

Strategies for improvement:

Application Exercise 4.2: Identifying Inputs, Activities, Outputs, Outcomes, and Impacts

Instructions:

From the list below, identify whether each of the following is an input, an activity, an output, an outcome, or a long-term impact. If possible discuss with a colleague, and explain the basis on which you categorized each one.

- Women-owned micro-enterprises contributing to poverty reduction in the communities where they are operating
- Government makes available funds for micro-enterprise loans
- Government approves 61 applications from program graduates
- Course trainers identified
- 72 women complete training
- Income of graduates increases 25% in first year after course completion
- 100 women attend training in micro-enterprise business management
- Information provided to communities on availability of micro-enterprise program loans

Application Exercise 4.3: Developing Indicators

Instructions:

Identify a policy, program, or project with which you are familiar. What is the main **impact** the program is trying to achieve? What are two **outcomes** you would expect to see if the intervention was on track to achieve that outcome?

Impact (End-Outcome): ______________________________

Outcome 1: ____

Outcome 2: ____

Starting with the outcomes, identify two or three indicators you would use to track progress against each of the above. If possible, try to include at least one indicator that lends itself to a qualitative data collection strategy, and one that could come from a secondary source.

Outcome 1: ______________________________________

Indicator (a): ____________________________

Indicator (b): ____________________________

Indicator (c): ____________________________

Outcome 2: ______________________________________

Indicator (a): ____________________________

Indicator (b): ____________________________

Indicator (c): ____________________________

Impact: ______________________________

Indicator (a): ______________________

Indicator (b): ______________________

Indicator (c): ______________________

Additional Reading:

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Answers to Quiz Yourself

1. d

2. The ten steps are:
    1. Conducting a Readiness Assessment
    2. Agreeing on Performance Outcomes to Monitor and Evaluate
    3. Developing Key Indicators to Monitor Outcomes
    4. Baseline Data on Indicators – Where Are We Today?
    5. Planning for Improvements – Setting Realistic Targets
    6. Monitoring for Results
    7. The Role of Evaluations
    8. Reporting Your Findings
    9. Using Your Findings
    10. Sustaining the M&E System within Your Organization

3. b

4. a

5. c

6. c

7. d

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