



**Strengthening Monitoring and Evaluation
System (SMES) Project**

**SMES MONITORING AND EVALUATION
TRAINING MANUAL**

MODULE 1:

INTRODUCTION OF RESULTS-BASED MONITORING AND EVALUATION

(version-4)

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SMES Monitoring and Evaluation Training Manual

Module 1: Introduction of Results-based Monitoring and Evaluation

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Abbreviations

| | |
|-----------|--|
| AFD: | Agence Française de Développement |
| AusAID: | Australian Government's Overseas Aid Program |
| CIDA: | Canadian International Development Agency |
| DAC: | Development Assistance Committee of the OECD |
| DFID: | Department for International Development |
| GTZ: | Gesellschaft für Technische Zusammenarbeit (German Agency for Technical Cooperation) |
| ISR: | Implementation Status and Results Framework |
| JICA: | Japan International Cooperation Agency |
| KfW: | Kreditanstalt für Wiederaufbau (German Reconstruction Credit Institute) |
| Logframe: | Logical Framework |
| M&E: | Monitoring and Evaluation |
| MfDR: | Managing for Development Results |
| OECD: | Organization for Economic Co-operation and Development |
| PLA: | Participatory Learning and Action |
| PRA: | Participatory Rural Appraisal |
| PRISM: | Performance Reporting Information System for Management |
| RBM: | Results-based Management |
| RF: | Results Framework |
| ROAR: | Results Oriented Annual Report |
| SMES: | Strengthening the Monitoring and Evaluation System (Project) |
| SRF: | Strategic Results Framework |
| UNDP: | United Nations Development Programme |
| USAID: | United States Agency for International Development |

Overview of Module 1

Module 1 consists of four Chapters: Chapter 1 - What is Monitoring and Evaluation; Chapter 2 – Trend towards Results-based Monitoring and Evaluation; Chapter 3 – Linkage and Use of Monitoring and Evaluation Results, and Chapter 4 - Monitoring and Evaluation System in Nepal. Chapter 1 explains the basic definition, types, methods, tools and stakeholders of monitoring and evaluation, Chapter 2 overviews the trend for results-based monitoring and evaluation, Chapter 3

| | |
|----------------------------|--|
| Objectives: | <ul style="list-style-type: none"> - To understand the concepts, purposes, types, methods and tools for monitoring and evaluation (M&E) - To understand the concept of managing for development results (MfDR) and results-based M&E |
| Process: | <ul style="list-style-type: none"> - Presentation on the concept of M&E (30 minutes) - Discussion about what the definitions and objectives of the M&E are in their agencies and why M&E is important (20 minutes) - Brief introduction on the concept of the MfDR and results-based M&E (30 minutes) - Questions and answers (10 minutes) |
| Key Words: | <ul style="list-style-type: none"> - Monitoring and evaluation (M&E) - Managing for development results (MfDR) - Results-based management (RBM) - Results-based monitoring and evaluation |
| Resources Required: | <ul style="list-style-type: none"> - Module 1 - PowerPoint “Module 1” |
| Outputs Expected: | <ul style="list-style-type: none"> - The concept of M&E and MfDR understood - The importance of the use of M&E results understood |

Chapter 1: What is Monitoring and Evaluation?

1-1 Definition of Monitoring and Evaluation

Monitoring and evaluation, often called by the acronym of M&E, is a periodic review of interventions, which include policy, programs and projects. It is conducted for the purpose of: (1) improving performance in terms of formulating, designing and implementing policy, programs and projects, and (2) enhancing transparency and accountability of the agencies which implement the interventions to the tax payers, other stakeholders/investors, and intended target groups.

The definitions of monitoring and evaluation are shown below:

“**Monitoring** is a continuing function that uses systematic collection of data on specified indicators to provide management and the main establishment of an on-going intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds.”

“**Evaluation** is a systematic and objective assessment of an on-going or completed project, program or policy, in design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, efficiency, effectiveness, impacts and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of implementing agencies. Evaluation also refers to the process of determining the worth or significance of an activity, policy or program. An assessment, as systematic and objective as possible, of a planned, on-going, or completed intervention.”

(Source: Glossary of Key Terms in Evaluation and Results Based management, OECD/DAC, 2002, modified by the SMES Project Team)

Both of monitoring and evaluation are conducted to see the progress of interventions such as policy, programs and projects. However, they have different characteristics, and they are complementary to each other.

Monitoring is conducted, continuously and regularly as an internal management activity during the implementation of interventions. The results of the monitoring are reported to the higher levels of the implementation bodies of the interventions as well as to other related stakeholders.

On the other hand, evaluation is conducted at certain periods of the implementation of interventions usually by external experts, who are equipped with technical knowledge and analytical as well as communication skills, hired by the implementation bodies. Evaluation reports, which cover the evaluation results, lessons and recommendations, are prepared by the experts and shared with the stakeholders inside and outside of the implementation bodies. The following table summarizes the differences between monitoring and evaluation.

Table-1: Outline of Monitoring and Evaluation

| | Timing | Objective | Conducted by | Tools |
|------------|--|--|--|--|
| Monitoring | - Conducted continuously and regularly during implementation of an intervention | - To check if an intervention is being implemented as planned (status of Inputs and Important Assumptions, progress of Activities, achievement of Outputs and Project Purpose) - To improve the quality of an intervention by revising its direction based on the results of monitoring | - Designed, organized, and implemented by the staff members of the intervention implementation body | - Logframe - Plan of Operations - Monitoring System sheets |
| Evaluation | - Conducted at different times of an intervention along with its implementation cycle: 1) before; 2) at the mid-term; 3) at the end, and 4) after the intervention | - To check the relevance, efficiency, effectiveness, impact and sustainability of an intervention - To improve the quality of an intervention - To obtain lessons learnt for other projects and future planning | - Designed and organized by the staff members of the intervention implementation body - Implemented by external experts | - Logframe - Five evaluation criteria |

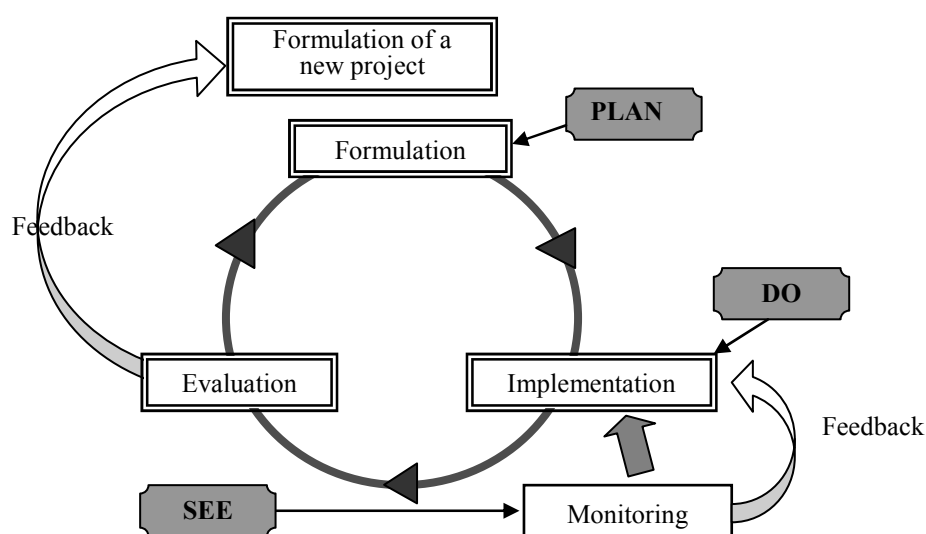
The results of M&E may:

- help ministries and agencies manage activities at the sector, program and project levels;
- enhance future planning of policies, programs and projects;
- help ministries in their policy analysis, and policy and program development;
- support ministries in evidence-based policy making, results-based budgeting (budgeting is made based on predefined objectives and expected results that are measurable), and performance-informed budgeting (the past and future performance information are referred in the budget decision-making process).
- help ministries enhance transparency and accountability to the stakeholders including related government agencies, donor agencies, tax payers and beneficiaries.

Box-1: Project Cycle Management (PCM)

The results of the project evaluation need to be reflected in future projects formulation. Therefore, the project formulation-implementation-evaluation process is not a one-way process but a cycle. The system to manage projects with this viewpoint is called “project cycle management.” According to EC’s Project Cycle Management Guidelines, Project Cycle Management is a term used to describe the management activities and decision-making procedures used during the life-cycle of a project.

As shown below, three key components of the project cycle are “formulation (=Plan)”, “implementation (=Do)”, and “monitoring and evaluation (=See).” The project cycle starts with project formulation, and after implementation, ends with evaluation. During the implementation, the progress of the intervention is being monitored.



1-2 Types of Evaluation

There are several types of evaluation categorized by stages of the project cycle and by subject. Each agency has its own evaluation system, in which types and timing of evaluation to be conducted are stipulated.

(1) Evaluation Types by Stages during the Project Cycle

In JICA, evaluation is classified into four types (ex-ante evaluation, mid-term evaluation, terminal evaluation and ex-post evaluation) as Figure-1 and Table-2 show:

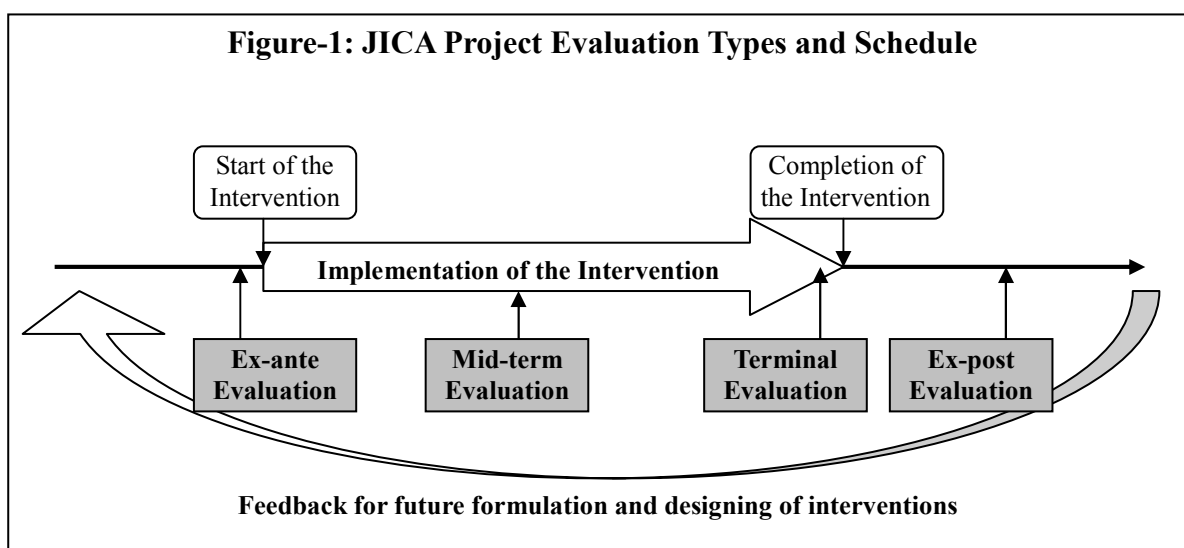


Table-2: Outline of the Evaluation Types by Stages of Project Cycle

| Evaluation Type | Timing | Purpose |
|---------------------|--|---|
| Ex-ante Evaluation | Before commencement of an intervention | To determine the necessity and conformity of an intervention To clarify the details of an intervention and set indicators |
| Mid-term Evaluation | At the mid- point of implementation period | To examine the progress of an intervention To revise the original plan and/or operation structure if necessary |
| Terminal Evaluation | Upon completion of an intervention | To review an intervention focusing on its efficiency, effectiveness and sustainability To determine if the follow-up is necessary or not |
| Ex-post Evaluation | After completion of an intervention | To review an intervention focusing on impact and sustainability To obtain lessons and recommendations for improving formulation and implementation of future interventions |

(2) Evaluation Types by Subject

Evaluation is also classified by subject such as project level, program level, sector level, thematic level, country program level, and policy level. The definitions of the major evaluation types by subject are summarized in below Table-3.

Table-3: Evaluation Type by Level

| Type | Definitions |
|---------------------------|--|
| Project-level evaluation | Evaluation of an individual development intervention designed to achieve specific objectives within specified resources and implementation schedule |
| Program-level evaluation | Evaluation of a set of interventions, which usually covers a number of related projects or activities in one country, seeking to attain specific development objectives, |
| Sector program evaluation | Evaluation of a single sector or sub-sector such as health, education, primary education, etc. |
| Thematic evaluation | Evaluation of selected aspects, such as gender, environment, etc. of various development interventions, or evaluating a range of sector program in different countries |
| Policy-level evaluation | Evaluation of a country development policy or sector development policy |

1-3 Methods and Tools of Monitoring and Evaluation

A sample of monitoring and evaluation tools, methods and approaches, including data collection methods, analytical frameworks and types of evaluation and review is introduced below. Some of the tools and approaches are complementary and can be combined while some of them are substitutes. The choice of appropriate methods or tools for any given context will depend on a range of considerations such as the intended use of monitoring and evaluation results, the main audience for the findings, how quickly the information is needed, and the cost available for monitoring and evaluation.

(1) Logical Framework Approach

The Logical Framework clarifies objectives of any project, program or policy as well as causal links among inputs, processes, outputs, outcomes and impacts. It also helps identify indicators at each stage with which the performance and achievement are

measured, as well as risks which might impede the attainment of the objectives. Because of this nature of Logical Framework, it serves as an effective tool to improve quality and design of project/program and to prepare detailed operation plans. It is also useful to review progress and take corrective action because it provides objective basis for activity review, monitoring and evaluation.

(2) Rapid Appraisal Methods

Rapid appraisal methods are quick, low-cost ways to gather the views and feedback of beneficiaries and other stakeholders to respond to decision-makers' needs for information. Opinions of beneficiaries can be obtained by key informant interview, focus group discussion, community group interview, direct observation, and simple survey. Rapid appraisal provides qualitative understanding of complex socio-economic changes, highly interactive social situations, or people's values, motivations, and reactions. It also helps to provide context and interpretation for quantitative data collected by more formal surveys.

(3) Participatory Evaluation

Participatory evaluation is an evaluation method in which representatives of project implementing agencies and other stakeholders work together in designing, carrying out and interpreting an evaluation. In order to ensure a fair representation of different needs, participatory evaluation emphasizes the participation of key stakeholders, especially the intended target groups and the involvement of special focus groups such as women, children and other vulnerable groups through participatory techniques such as Participatory Rural Appraisal (PRA), Participatory Learning and Action (PLA), stakeholder analysis, and beneficiary assessment.

(4) Cost-benefit and Cost-effectiveness Analysis

Cost-benefit and cost-effectiveness analysis are tools for assessing whether or not the costs of any activity can be justified by the outcomes and impacts. Cost-benefit analysis measures both inputs and outputs in monetary terms. Cost-effectiveness analysis estimates inputs in monetary terms and outcomes in non-monetary quantitative terms (such as improvements in students' scores). They are used for informing decisions about the most efficient allocation of resources and for identifying projects that offer the highest rate of return on investment.

(5) Impact Evaluation

Impact evaluation is a systematic identification of the effects on individual households, institutions and the environment caused by a given development activity. Impact evaluations can range from large scale sample surveys in which project populations and control groups are compared before and after, and possibly at several points during intervention, to small-scale rapid assessment and participatory appraisals where estimates of impact are obtained by interviews, case studies and available secondary data. Impact Evaluation is conducted to measure outcomes and impacts of an activity and to distinguish these from influence from other factors, to clarify whether costs for an activity are justified, and to strengthen accountability for results.

(6) Meta-evaluation

Meta-evaluation is an evaluation designed to aggregate findings from a series of evaluations. Meta-evaluation can be used to denote the evaluation of an evaluation to judge its quality and/or assess the performance of the evaluators.

Chapter 2: Trend towards Results-based Monitoring and Evaluation

2-1 What is Managing for Development Results (MfDR)?

The international development community, since late 1990's, has made efforts to improve their evaluation activities. Key milestones include the Millennium Declaration with the adoption of the Millennium Development Goals (MDGs) in 2000, the Monterrey Consensus on Financing for Development in 2002, the Rome Declaration on Harmonization in 2003, the Marrakech Memorandum on Managing for Development Results in 2004, and the Paris Declaration on Aid Effectiveness in 2005.

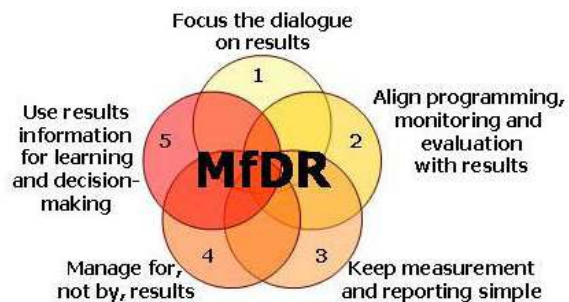
“Managing for developing results (MfDR)” is one of the key issues emerged from such efforts. With the definition agreed in Marrakech as shown in Box-2, MfDR calls for developing countries to increase their commitment to policies and actions that promote economic growth and reduce poverty, and developed countries to support them through more effective aid and trade policies.

Box-2: Definition of MfDR:

Managing for Development Results (MfDR) is a management strategy focused on development performance and sustainable improvement in country outcomes. It provides a coherent framework for development effectiveness in which performance information is used to improve decision making, and it includes practical tools for strategic planning, risk management, progress monitoring and outcome evaluation.

MfDR Core Principles are:

- (1) Focus the dialogue on results at all phases;
- (2) Align programming, monitoring and evaluation with results;
- (3) Keep measurement and reporting simple;
- (4) Manage for, not by results, and
- (5) Use results information for learning and decision making.



(Source: Memorandum of the Marrakech Roundtable on Managing for Results, 2004)

MfDR is a new concept and tool to enhance the impact and effectiveness of development and poverty reduction programs as well as to improve performance management of development interventions.

The concepts that underlie MfDR are that global development assistance can be made more effective by enhancing country ownership, aligning assistance with country priorities, harmonizing development agencies' policies and procedures, and focusing more consistently on the achievement of development outcomes.

In the Paris Declaration of 2005, donors and partner countries expressed their commitments to MfDR as follows (Source: OECD/DAC MfDR Source Book 2006):

Commitments to MfDR expressed by partner countries:

- 1) Strengthen the linkages between national development strategies and annual and multi-annual budget processes.
- 2) Endeavour to establish results-oriented reporting and assessment frameworks that monitor progress against key dimensions of the national and sector development strategies; and that these frameworks should track a manageable number of indicators for which data are cost-effectively available.

Commitments to MfDR expressed by donors:

- 1) Link country programming and resources to results and align them with effective partner country performance assessment frameworks, refraining from requesting the introduction of performance indicators that are not consistent with partners' national development strategies
- 2) Work with partner countries to rely, as far as possible, on partner countries' results-based reporting and monitoring frameworks.
- 3) Harmonize their monitoring and reporting requirements, and, until they can rely more extensively on partner countries' statistical, monitoring and evaluation systems, with partner countries to the maximum extent possible on joint formats for periodic reporting.

Joint commitment to MfDR expressed by partner countries and donors:

- 1) Work together in a participatory approach to strengthen country capacities and demand for results-based management (RBM).

In order to achieve MfDR, there are issues to be worked on at the national level as well as at the sector program and project levels. The followings are some of the major topics on which developing countries and development agencies are working at each level.

(1) At the National Level

Development countries need to better manage their development process toward desired outcomes. MfDR begins with identifying national goals and developing the strategies to achieve the goals.

Many countries are making progress in linking their poverty reduction strategy or national development strategy to results-based expenditure management and performance orientation in public administration. At the same time, central and line ministries are developing more results-focused strategies accompanied by results frameworks to monitor progress.

(2) In Sector Programs and Projects

Partner countries and development agencies work together in strengthening the focus on results in their sector programs and projects through aligning national strategies and sector development plans, harmonizing results reporting, and strengthening capacity to manage for results in programs and projects.

Within the context of poverty reduction strategies and national development plans, development agencies and partner countries are collaborating to identify priority sectors in which targeted programs and projects can support achievement of country outcomes.

2-2 MfDR and Results-based Management (RBM)

What is RBM?

According to OECD/DAC, Results-based Management (RBM), which has been adopted by many development agencies since 1990s in order to improve development performance, is a management strategy focusing on performance and achievement of outputs, outcomes and impacts.

Its main purposes are to improve organizational learning and to fulfill accountability obligations through performance reporting. Although RBM is nearly synonyms with MfDR, MfDR incorporates broader ideas such as collaboration, partnership, country ownership, harmonization, and alignment, focusing on performance and improvements in country outcomes whereas RBM can be used for shorter-term, smaller-scale intervention.

Emergence of RBM and its development

In the 1990s, as governmental reform became especially active in North American countries, RBM was adopted in the public administration field. RBM is used by the governments of the US and Canada as a new management method for administrative activities, and has been discussed at development-related international conferences. RBM has now been adopted in a number of developing countries as well

Phases of RBM

The following table shows the seven phases of RBM. As shown below, in RBM, (1) objectives are formulated, (2) indicators to show progress toward the objectives are identified, and (3) targets are set.

These three phases are called **Strategic Planning**. The next two phases, which are (4) monitoring results, and (5) reviewing and reporting the results are called **Performance Measurement**. Finally, (6) evaluation is conducted and (7) the information obtained through M&E are used for improvement of interventions (In RBM, evaluation is considered to supplement monitoring information).

Thus, RBM entails not only setting objectives and implementing M&E activities but also using M&E results to improve management.

Table-4: Seven Phases of RBM

| | | | | |
|---|---------------------------------|-------------------------------|------------------------------------|-------------------------------------|
| 1 | Formulating objectives | Strategic Planning | Performance Measurement | Results-based Management |
| 2 | Identifying indicators | | | |
| 3 | Setting targets | | | |
| 4 | Monitoring results | | | |
| 5 | Reviewing and reporting results | | | |
| 6 | Integrating evaluation | | | |
| 7 | Using performance information | | | |

(Source: Annette Binnendijk, Results Based Management in the Development Co-operation Agencies: A review of Experience Background Report, 2001)

Performance Measurement, Performance Indicators and Performance Monitoring

Performance Measurement is a system to assess performance of development intervention against stated goals. **Performance Indicators**, which are variables that allow verification of changes in development interventions or show results relative to what was planned, provide means to measure achievement at all the levels (input, process, output, outcome, and impact levels).

Performance monitoring is a continuous process of collecting and analyzing data to compare how well a project, program, or policy is being implemented against expected results.

Adoption of Performance Measurement by Development Agencies

Traditionally, in development interventions, reporting on the activities and achievements had been conducted at the time of or after the termination of the interventions. In recent years, however, many development agencies place more importance on measuring performance during their interventions.

For example, some agencies such as CIDA, DFID and AusAID came to report the performance of their major interventions annually in performance monitoring reports. In addition to the performance monitoring, some agencies such as CIDA, DFID and World Bank make it compulsory for the country offices to submit final reports with a focus on the preventing and promoting factors of the project achievement and its process. Evaluation also plays an important role in this context.

The following table shows how some of major development agencies, which employ RBM, conduct Performance Measurement at the project/program level¹.

¹ As USAID and UNDP are not conducting performance measurement at the project level, the description on the USAID and UNDP are about performance measurement at the program level.

Table-5: Performance Measurement System of Major Donors at the Project Level

| Agency | System of Performance Measurement |
|------------|---|
| USAID | USAID conducts performance measurement at the country program level annually; all the Operating Units including country and regional offices submit annual “Results Review and Resource Request” to the Headquarters. Results Review is the review against the outcome indicators set in the original Results Framework. All the reports are reviewed at Headquarters for resource allocation and compiling annual Performance and Accountability Report. |
| UNDP | UNDP conducts performance measurement at the program level employing Strategic Results Framework (SRF). Each country office monitors its programs against SRF, and compiles Results Oriented Annual Report (ROAR) annually. Headquarters produce organizational annual report based on ROARs. |
| World Bank | Implementation Status and Results Reports (ISR) are made annually by reviewing progress against project Results Framework. Rating is also conducted to measure performance of each project. Results of the ratings are incorporated into Annual Report on Portfolio Performance, which is the organization’s annual report. |
| DFID | Each section reports performance through the data system, called PRISM (Performance Reporting Information System for Management), by measuring performance against indicators set on Logframe. Rating is conducted as well. The results of the performance measurement and ratings are compiled into an organizational report annually (Autumn Performance Report) to be submitted to the Parliament. |

Source: USAID: <http://evalweb.usaid.gov/index.cfm>, UNDP: <http://www.undp.org/eo/>, World Bank: <http://www.worldbank.org/oed/>, DFID: <http://www.dfid.gov.uk/aboutdfid/evaluation.asp>

Logical Framework and Results Framework

While the Logframe had been widely used among development agencies, the number of agencies which adopt Results Framework is increasing as the following Table 6 shows. Results Framework, usually laid out in diagrammatic form, is the program logic that explains how the development objective is to be achieved, including causal relationships and underlying assumptions. Although it has a lot in common with Logframe, Results Framework helps us to comprehend link between objectives and

higher goals. Therefore, it can be used rather at the program or strategy level than at the project level.

Table-6: Application Status of Logframe (LF) and Results Framework (RF) by Major Development Assistance Agencies

| Agency | LF | RF | Application Status of LF/RF |
|------------|----|----|---|
| DFID | X | | LF is developed at the time of pre-appraisal of a project and reviewed at the mid-term of project implementation. The achievement of the output and outcome are assessed at the terminal evaluation. |
| GTZ/KfW | X | | LF, called Project Planning Matrix (PPM), is developed at the time of pre-appraisal of a project. |
| JICA | X | | LF, called Project Design Matrix (PDM), is developed at the ex-ante evaluation and reviewed throughout the implementation stage. JICA conducts mid-term and terminal evaluation at the project level by using five evaluation criteria of OECD-DAC. |
| AFD | X | | Project evaluation is conducted according to the five evaluation criteria of OECD-DAC based on the LF. |
| USAID | | X | Strategic Objectives (SO), Intermediate Results and outputs are set in RF. Evaluation is conducted at the SO level (Project evaluation is not conducted). |
| UNDP | | X | Strategic Development Objective, Intermediate Results/Outcome and Outputs as well as those indicators are set in the Strategic Results Framework (SRF). (Project evaluation is conducted as well.) |
| World Bank | | X | RF is developed at the project level. Performance indicators are set for each outcome and used for M&E. |
| CIDA | | X | The Framework of Result, which incorporates the concept of RF of USAID, is used for project and program evaluation. |

Source: DFID: <http://www.dfid.gov.uk/aboutdfid/evaluation.asp>,
 GTZ: <http://www.gtz.de/en/leistungsangebote/6332.htm>
 JICA: <http://www.jica.go.jp/english/operations/evaluation/>
 AFD: <http://www.afd.fr/jahia/Jahia/lang/en/pid/18>
 USAID: <http://evalweb.usaid.gov/index.cfm>,
 UNDP: <http://www.undp.org/eo/>,
 World Bank: <http://www.worldbank.org/oed/>,
 CIDA: <http://www.acdi-cida.gc.ca/CIDAWEB/acdicida.nsf/En/JUD-111795644-KJX>

As far as the above table tells us, as a general trend, Logframe is used by the agencies which mainly conduct performance measurement and evaluation at the project level, while Results Framework is adopted by the organizations which conduct performance measurement and evaluation rather at the program level.

Box-3: RBM and Change of M&E Trend

It is often pointed out that introduction of RBM has changed the role of traditional monitoring and evaluation. Conventionally, monitoring was conducted to check the implementation process. As for evaluation, when to conduct an evaluation used to be pre-determined according to the duration of the project period (ex-ante, mid-term, terminal, ex-post, etc.), and performance analysis and reporting were conducted after a project has terminated.

However, in RBM, monitoring is conducted continuously, not only to check the process but to measure the performance. Also, many agencies started to conduct an evaluation only when necessary in order to complement monitoring activities. Regarding reporting, many development agencies now report their performance annually instead of after the termination of an intervention. This way, RBM enabled assessing performance in a timely manner and feeding the results into ongoing strategies to better manage their interventions.

2-3 Introducing Results-based Monitoring and Evaluation

Traditional implementation-focused M&E systems are designed to address compliance – the “did they do it” question. Conventional monitoring focuses on assessing how well a project, program, or policy is being executed, and it was responsibility of a particular unit of the implementing body. However, this approach does not provide policy makers, managers, and stakeholders with an understanding about success or failure of the project, program or policy.

Results-based M&E systems are designed to address the “so what” question. A results-based M&E provides feedback on the actual outcomes and goals of government actions. Results-based system helps answer the following questions:

- ✓ What are the goals of the organization?
- ✓ Are they being achieved?
- ✓ How can achievement be proven?

**Box-4: Essential Actions to Build
Results-based M&E System**

- (1) Formulate outcomes and goals
- (2) Select outcome indicators to monitor
- (3) Gather baseline information on the current condition
- (4) Set specific targets to reach and dates for reaching them
- (5) Regularly collect data to assess whether the targets are being met
- (6) Analyze and report the results

(Source: “Ten Steps to a Results-based M&E System” World Bank 2004)

Results-based M&E is a major component of the MfDR toolbox that helps both countries and agencies systematically measure the progress of program and project outcomes. Thus, effective results-based M&E is useful to better manage policies, programs, and projects, and to demonstrate progress to civil society stakeholders. It also shows the extent to which specific activities or programs contribute to achieving national outcomes.

Box-5: The Power of Measuring Results

- If you do not measure results, you cannot tell the 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: Adapted from Osbourne and Gaebler 1992)

2-4 Ownership of Monitoring and Evaluation

In light of Paris Declaration, it is important that developing countries strengthen their ownership not only in implementation of projects but also in the area of monitoring and evaluation. While the country-led evaluation enables developing countries to utilize evaluation results effectively as described in Box 6, it requires those countries to exert more active initiatives. Therefore, capacity development in the area of monitoring and evaluation has become of greater significance.

Box-6: Use of Aid Evaluation for Developing Countries

Evaluation enables countries to:

- (1) Examine whether the project has achieved its intended effects;
- (2) Assess the distribution of benefits among different groups;
- (3) Analyze factors determining effectiveness in achieving project objectives;
- (4) Institutionalize experiences and lessons from project implementation and management, and
- (5) Provide information for decision-makers on “replicability” of the project in the future.

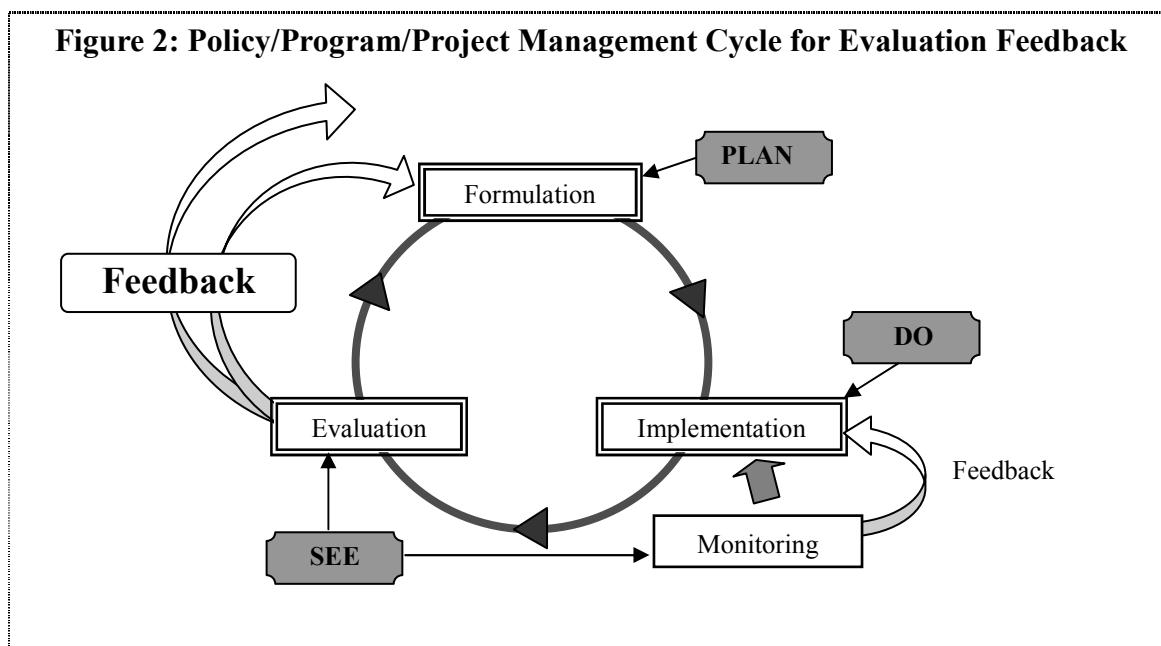
(Source: OECD/DAC MfDR Source Book 2006)

Chapter 3: Use of Monitoring and Evaluation Results

3-1 Different Uses of M&E Results

It is expected that the evaluation results are utilized for decision-making of policy planning, budget allocation, personnel management and organizational learning. This process is the so-called “evaluation feedback”.

As we have learned in the Chapter 1 in the Module 1 (See below Figure 1), project cycle of “formulation (=Plan)”, “implementation (=Do)”, and “monitoring and evaluation (=See)” not only applies to the project level, but also to the program and policy level. In another word, the results of program/policy evaluation are reflected in the formulation of program and policy plans such as PRSP.



Findings from monitoring and evaluation results can be used in a variety of ways, as shown in **Box7**:

Box 7: Ten Uses of Results Findings

1. Respond to elected officials' and the public's demands for accountability
2. Help formulate and justify budget requests
3. Help make operational resource allocation decisions
4. Trigger in-depth examinations of what performance problems exist and what corrections are needed
5. Help motivate personnel to continue making program improvements
6. Formulate and monitor the performance of contractors and grantees
7. Provide data for special, in-depth program evaluations
8. Help provide services more efficiently
9. Support strategic and other long-term planning efforts (by providing baseline information and later tracking progress)
10. Communicate better with the public to build public trust.

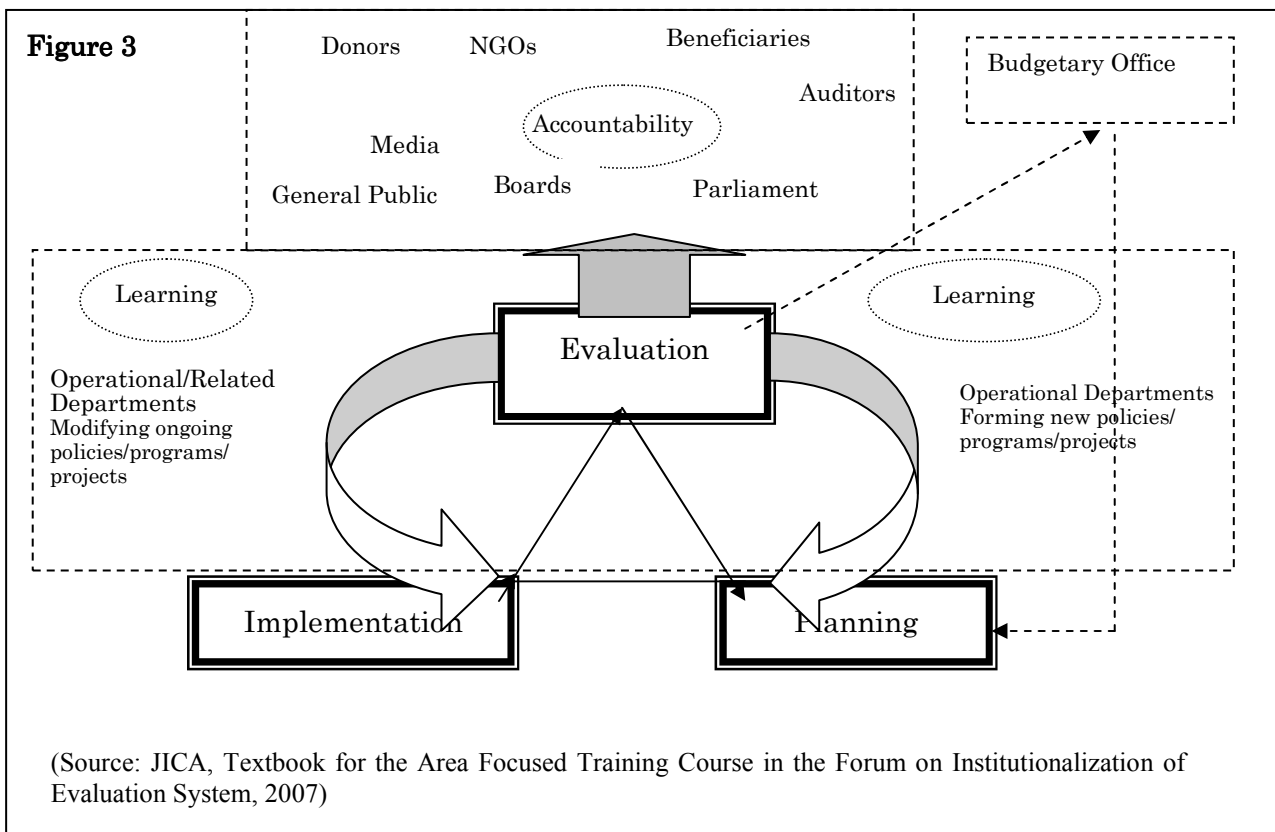
(Source: Jody Zall Kusek, Ray C. Rist, World Bank, 10 Steps for Results-Based M&E, 2004, Originally from Hatry, Harry, P, Performance Measurement, 1999)

3-2 To whom, When and How to Give Feedback

To whom to give feedback

Recipients of feedback can be categorized into the following three groups (Figure 3).

- 1) Stakeholders in the policy management cycle:
The evaluation results should be given to government agencies (such as agencies of related sector, planning department, regional departments, etc.) where the findings, lessons, recommendations derived from the evaluation are used for new and on-going policies/programs/projects for improvement.
- 2) Stakeholders outside the policy management cycle:
Parliamentary committees, budgetary office ministers, boards, auditors, the general public, NGOs, donors, the media, etc., who are not directly involved in the policy management cycle but who should be informed of the evaluation results for accountability reasons.
- 3) The budget office:
The budget office is involved in the feedback process when the evaluation results are linked with a budget allocation. The office uses the evaluation results as a decision-making tool for allocating budget.



When to give feedback

Providing evaluation feedback in a timely manner can be difficult often because of the time required to finalize evaluation reports. However, for feedback to be effective, it is critical that the evaluation results be shared at the right time with the right audience.

How to give feedback

Various media can be utilized to deliver the results of an evaluation depending on the needs of the audience. Some of the common media used are listed below.

- Evaluation reports
- Evaluation report summaries (4-10 pages)
- Annual Evaluation Reports
- Websites
- Periodical Newsletters
- Press events
- Seminars/workshops
- Participation in evaluations

Chapter 4: M&E System and Stakeholders in Nepal

The government of Nepal has its own monitoring and evaluation system, the details of which are explained in Module 6: Project Reporting for Monitoring. Many actors are involved in the system, and each of them plays its role in the process. Key M&E stakeholders and their functions in the context of development interventions in Nepal are summarized as follows:

- (1) Policy-makers/decision-makers such as the Cabinet, parliamentarian, Ministers and Secretaries are to utilize M&E results in policy making;
- (2) NPCS is to design and update monitoring reporting formats and guidelines to be used by other ministries, line offices at the district level and project offices. NPCS is also to compile M&E results collected from other ministries, and report the results in NDAC meetings. NPCS provides other ministries with feedback on their M&E results;
- (3) All the officers of NPCS as well as Planning/M&E division or section officers of other ministries are to design, conduct and report M&E activities to related offices. At the same time, they are to utilize M&E results in future program and project formulation and planning;
- (4) Planning/M&E officers of departments, regional offices, district offices and project offices are to plan, conduct and report M&E activities to related offices as well as to utilize M&E results in future program and project formulation and planning;
- (5) M&E experts and academicians of external institutions conduct evaluation surveys for the government and prepare evaluation reports. They refer and utilize the government M&E results/reports for their research as well;
- (6) Target groups and other stakeholders join M&E activities of related interventions which employ participatory M&E methods, and/or to be interviewed for M&E data collection;
- (7) Tax payers are to check how the government uses the financial resources and achieves the intended goals based on the M&E results, and
- (8) Development Partner agencies are to design, conduct and report M&E on their own

assistance policy, programs and projects. Nepali counterpart agencies are to be involved in the process.

Box-8: The System to Monitor the MDGs in Nepal - PMAS and DPMAS

The Government of Nepal is committed to the monitoring of the MDGs through institutionalizing the Poverty Monitoring and Analysis System (PMAS), a framework developed to monitor and evaluate progress in the implementation of the Poverty Reduction Strategy Paper (PRSP). PMAS seeks to monitor the progress of PRSP and communicate results effectively through:

- Implementation (or input/output) monitoring;
- Outcome or well-being monitoring;
- Impact assessment;
- Poverty Management Information System (PMIS), and
- Communication/Advocacy

Similarly, district-level monitoring system is called District Poverty Monitoring and Analysis System (DPMAS), which aims to establish a district poverty monitoring and analysis system for measuring district level poverty monitoring indicators, and monitor resources, processes, outputs, outcomes and impacts of project and programs. The main activities include: identify poverty monitoring indicators; collect data and information; process and analyze data and information; analyze and present/disseminate quality information, and institutionalize (and internalize) the organizational framework.

CONGRATURATIONS!! THIS IS THE END OF THE MODULE 1.

Please check whether or not you understand the contents of this module by answering the following checklist.

CHECKLIST

- What is the difference between monitoring and evaluation?
- What types of evaluation are there in terms of stages of project cycle?
- What types of evaluation are there in terms of level?
- What is Managing for Development Results?
- What is Results-based Management?
- What is the significance of results-based monitoring and evaluation?
- For what purposes are evaluation results used?
- To whom the evaluation results are provided?
- What kind of media can be used to deliver the evaluation results to its audience?
- Who are the major M&E stakeholders in Nepal? What are they responsible for?

Recommended Readings:

- Annette Binnendijk, “Results Based Management in the Development Co-operation Agencies: A review of Experience Background Report”, DAC Working Party on Aid Evaluation, 2001
- DFID, “Essential Guide to Roles & Tools”, 2005
- GTZ, “Results-based Monitoring: Guidelines for Technical Cooperation Projects and Programs”, 2004
- JICA, Textbook for the Area Focused Training Course in Forum on Institutionalization of Evaluation System, 2007
- Jody Zall Kusek, Ray C. Rist, World Bank, “10 Steps for Results-Based M&E”, 2004
- Keith Mackay, Independent Evaluation Group, World Bank, “How to Build M&E Systems to Support Better Government”, 2007
- OECD-DAC Joint Venture on Management for Development Results, “Management for Development Results, Principle in Action: Source Book on Emerging Good Practices”, 2006
- World Bank, “Monitoring and Evaluation: Some Tools, Methods and Approaches”, 2004

Useful Website of International Development Partners

| Agency | Website |
|------------------------|--|
| JICA | Evaluation: http://www.jica.go.jp/english/operations/evaluation/ |
| USAID | 1) Evaluation: http://evalweb.usaid.gov/index.cfm 2) Guidelines (ADS) : http://evalweb.usaid.gov/adsreqs/adsrequirements.cfm |
| DFID | Evaluation: http://www.dfid.gov.uk/aboutdfid/evaluation.asp |
| GTZ /KfW | 1) GTZ (Evaluation): http://www.gtz.de/en/leistungsangebote/6332.htm 2) KfW (Evaluation): http://www.kfw-entwicklungsbank.de/EN_Home/Ex-post_Evaluation_at_KfW/index.jsp |
| AFD | Annual Report: http://www.afd.fr/jahia/Jahia/lang/en/pid/18 |
| SIDA | 1) Evaluation: http://www.sida.se/sida/jsp/sida.jsp?d=1509&language=en_US |
| CIDA | 1) Evaluation: http://www.acdi-cida.gc.ca/CIDAWEB/acdicida.nsf/En/JUD-111795644-KJX 2) Annual Report: http://www.tbs-sct.gc.ca/dpr-rmr/2006-2007/index-eng.asp |
| NORAD | 1) Evaluation: http://www.norad.no/default.asp?V_ITEM_ID=3507 2) Annual Report 2004-2005: http://www.norad.no/items/3875/38/7079169984/ENGELSK_aarsrapport_2004-2005.pdf |
| DANIDA | Evaluation: http://www.um.dk/en/menu/DevelopmentPolicy/Evaluations/ |
| AusAID | 1) Aid Effectiveness: http://www.ausaid.gov.au/ode/default.cfm 2) Annual Reports: http://www.ausaid.gov.au/publications/pubout.cfm?ID=8691_5877_871_8496_1205 |
| World Bank | 1) Evaluation: http://www.worldbank.org/oed/ 2) M&E Manual: http://wbIn0018.worldbank.org/Institutional/Manuals/OpManual.nsf/05TOCpages/Management 3) Project Cycle: http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/0,,contentMDK:20120731~menuPK:41390~pagePK:41367~piPK:51533~theSitePK:40941,00.html 4) Measuring Results: http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/0,,contentMDK:20120723~menuPK:41393~pagePK:41367~piPK:51533~theSitePK:40941,00.html 5) Annual Report on Operations Evaluation: http://web.worldbank.org/WBSITE/EXTERNAL/EXTOED/EXTANNREPOPEEVA/0,,contentMDK:21115852~menuPK:3073384~pagePK:64168427~piPK:64168435~theSitePK:3073310,0.html |
| UNDP | 1) Evaluation: http://www.undp.org/eo/ 2) Guidelines: http://www.undp.org/eo/methodologies.htm |
| Asian Development Bank | 1) Evaluation: http://www.adb.org/Evaluation/ 2) Evaluation Reports: http://www.adb.org/Evaluation/reports.asp |