



## Monitoring and Evaluation Reform under Changing Aid Modalities: Seeking the Middle Ground

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October 2006

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# 1. Introduction

- Different donor positions on M&E in new aid modalities
    - 'progressive' donors
    - conservative donors
- ⇓
- Aim of this paper: seeking the middle ground

## 2. M&E: a necessary ingredient for the new aid modalities

- Two basic functions of M&E: *accountability* and *feedback*
- both necessary for effectiveness and sustainability of new aid modalities
  - ↓ implicit in basic principles
- Evidence-based approach and iterative learning (APR, feedback)
- Results-based management and budgeting (MTEF, accountability)
- Participatory ('downward accountability' accountability to national independent actors)

### 3. Reform Agenda (see Paris Declaration)

#### Donors

- **Harmonisation**  
→ coordination, rationalisation, exchange of information
- **Alignment**  
→ Rely upon and use recipient's M&E

#### Recipients

- **Establish results-oriented M&E system**



Reform agendas are interdependent  
(chicken-and-egg dilemma)

## 4. Actual status

### 4.1. Recipients

- in general weak but differences among countries
- not much progress over time
- fragmented approach towards M&E
  - Absence of overall M&E policy & plan ('grand design')
  - Bias towards monitoring (versus evaluation)
  - Bias towards input level (PFM) + recently on final outcomes (MDG)  
→ missing middle
  - Bias towards indicators but no integration into causal chain (low evaluability!)
  - Bias towards data collection issues (statistical offices)

- Institutional and organisational weaknesses
  - No reference to basic principles of M&E
    - .neglect of the possible trade-off between 'accountability' and 'feedback' and its implications on institutional set-up
  - 'Location' of M&E coordination 'oversight' unit: sensitive ('power') issue
  - Division of responsibilities: unclear → overlaps & gaps
  - Degree of horizontal and vertical integration: problematic
  
- Participation of independent non-government actors
  - More attention for CSO than for parliament, audit office, universities
  - Participation of CSO declines throughout the process
  - CSO more as 'government-managed' M&E supply side actor than as independent M&E demand side actor

- Capacity and Quality

- Capacity problem: acknowledged (in particular technical, methodological issues, less institutional issues)
- Capacity building (plans): similar focus + problem of donor coordination (see below)
- Quality of output of M&E system
  - ↓ one of the most important outputs
  - Annual Progress Report (APR): low analytical quality
  - not much used by donors (see below)



## *4.2. Actual status: donors*

- Role of donors: not explicitly addressed in PRSPs, sector programmes and APR

BUT influence is obvious: see parallelism among their predilections and evolutions on the ground:

- focus on PFM & final outcomes (MDG)
- data collection (statistical offices)
- Progress regarding Harmonisation and Alignment of projects: low
  - M&E: about 30% through recipient apparatus (see OECD-DAC and SPA surveys)
  - Not clear to what extent information from donor M&E exercises feeds into recipient M&E

- application of new aid modalities: major differences among donors
    - pressure from Paris Declaration → simplistic overalignment?
      - ↓
      - ✓ Accountability to the own donor parliament reduced to implementation of Paris Declaration?
        - But impact of H&A on poverty reduction not proven yet
      - ✓ Neglect of quality of recipient M&E: no use of comprehensive (ex-ante) diagnostic tools
        - .fragmentary M&E assessments: statistical data quality + PFM
    - Some donors: complete absence of harmonisation & alignment
- ⇒ need for intermediate approaches

## 5. Which way forward? Seeking the middle ground

### Proposal: Twin-track Process Approach

#### 5.1. Focus on joint elaboration of recipient M&E system (both supply and demand side)

- Joint diagnosis
  - Joint capacity building
- LT-strategy (in most countries)

BUT there are also **actual** M&E needs



#### 5.2. Complementary 'joint' M&E

- Depending on the function (feedback or accountability): involvement of supply side actors and independent actors of demand side
- Learning-by-doing process

## 5.1. Focus on recipient system: diagnosis and capacity building

- Bottom line: capacity building is necessary → **first step:** diagnosis of strong/weak points, champions?, hindering factors
- No standard diagnosis format so far (↔ PFM)  
BUT some suggestions:
  - Readiness assessment & ten-steps approach of Kusek and Rist (2002)
  - EC ex-ante assessment for support to Sector Programmes (area 6: 'performance monitoring and client consultation mechanism') (see European Commission, 2003)
  - CIDA assessment of 5 Western African countries (CIDA, 2002)
  - Assessment frameworks in independent research (see Booth and Lucas, 2002; see PRSP Monitoring and Synthesis Project, 2003; see Holvoet & Renard, 2005)

- Diagnosis framework:

- Do the diagnosis (and capacity building) jointly (harmonisation)
- Emphasize both supply & independent demand side
- Use it as a component of risk assessment
- Use it to identify 'realistic' targets & actions to improve M&E system (as an instrument of 'process conditionality')
- Use it to identify joint capacity building needs
- Use it to monitor the establishment & functioning of the recipient M&E system

## 5.2. Complementary 'joint' M&E processes

- Do it jointly (attribution problem!)
- Involve also non-BS donors (projects as pilots)
- Involve national M&E actors (demand & supply): learning by doing
- Adaptive to the changing quality of the recipient system
  
- So far: No standard procedures but some interesting 'experiments':

- Joint Sector Reviews (and annual review meetings)

- ✓ Review: "assessment of the performance of intervention(s), periodically or ad hoc" (in between monitoring and evaluation)
- ✓ Actors involved: donors & government (sometimes other stakeholders)
- ✓ unique instrument for accountability and feedback: possible but difficult



.accountability: 'independence'; external validity (representative selection of samples);  
need to involve national independent actors (= learning by doing)

.feedback (learning): focus on specific issues, pilots, unexpected positive, negative  
results; need to involve 'implementation' level

## ■ Performance Assessment Frameworks (PAFs)

- ✓ set of key policies, actions, output and outcome indicators to dialogue, assess, monitor 'recipient' performance
  - ✓ ideally taken from PRSP (if action-oriented)
    - + : incentive for more action-oriented & operational PRSP (=filling the missing middle)
  - ✓ multi-donor
    - + : harmonised performance framework but
    - : risk of 'herd' behaviour → volatility of aid
      - ↓ limit through dialogue, early warning,
- different triggers for different donors, system of fixed and variable tranches
- ✓ transparent framework for performance review, disbursement and tranche release:
    - + : ↑ predictability
  - ✓ could also be extended to check donor's performance (see notion of 'mutual accountability'): see Mozambique PAP's PAF (<http://www.pap.org.mz>)