



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



Nathalie Holvoet & Robrecht Renard



Outline

- 1. Introduction
- 2. Importance of M&E in context of new aid modalities
- 3. Reform agenda for donors and recipients
- 4. Actual status of reform
 - 4.1. recipients
 - 4.2. donors
- 5. Which way forward? Seeking the middle ground...
 - 5.1. Focus on elaboration of recipient M&E system (supply & demand side)
 - 5.2. Complementary joint M&E





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 responsabilities: 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 (exante) 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)



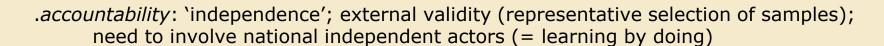
Diagnosis framework:

- •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



.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 accountabilty'): see Mozambique PAP's PAF (http://www.pap.org.mz)