



M&E and the new aid paradigm



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Outline

1. Importance of M&E in context of new aid modalities
2. Reform agenda for donors and recipients
3. Actual status of reform: recipients
4. Actual status of reform: donors
5. Which way forward? Some suggestions
 - 5.1. Focus on elaboration of recipient M&E system (supply & demand side)
 - 5.2. Complementary joint M&E: JSR, PAFs & PAPAFs

1. 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)

2. 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**

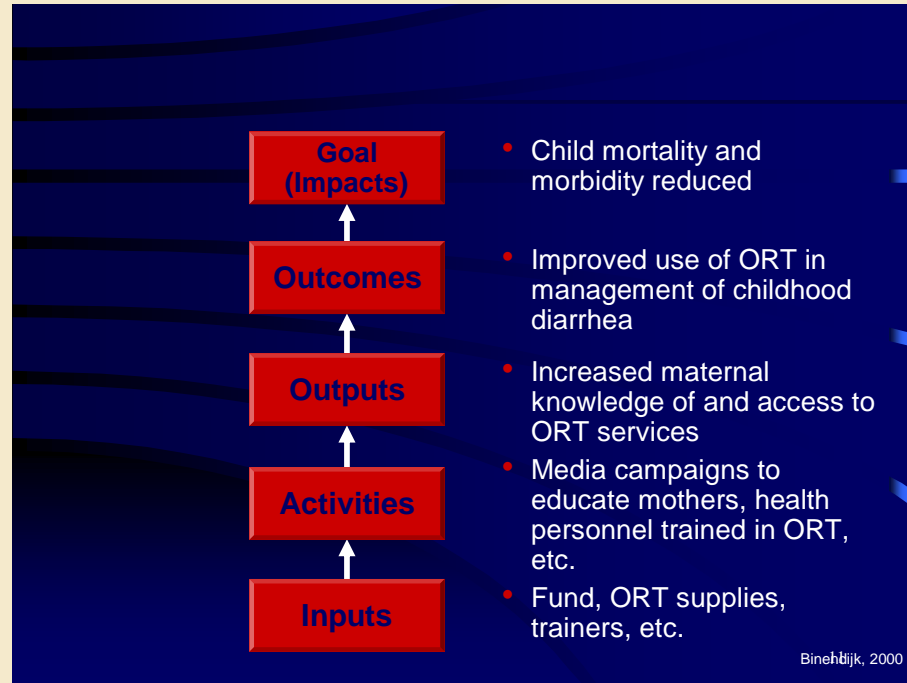


Reform agendas are interdependent
(chicken-and-egg dilemma)

3. Actual status: recipients

- in general weak but differences among countries
- fragmented approach towards M&E
 - Absence of overall M&E policy & plan
 - Bias towards monitoring (versus evaluation)
 - Bias towards input level (PFM)
 - Bias towards indicators but no integration into causal chain (low evaluability!)
 - Bias towards data collection

Causal chain



See Kusek & Rist (2004)

- Institutional and organisational weaknesses
 - No reference to basic principles of M&E (trade-off between 'accountability' & independence versus feedback → implications on institutional set-up)
 - 'Location' of M&E coordination 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 (M&E < diagnosis)
 - CSO more as 'government-managed' M&E supply side actor than as independent M&E demand side actor

Different functions of M&E

	Accountability	Feedback & lessons learning
Principles	Independence Impartiality	Utility
Methodology	-External validity -Representative samples -Extrapolation	-Internal validity -Focus on unexpected, pilots
Institutional structure	-Strict division among evaluation and implementation (extra efforts needed to ensure feedback)	Division among evaluation and implementation: less strict (extra efforts needed to ensure accountability)
Actors involved	External (involvement of implementation levels is limited)	Involvement of implementation level needed

- 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. 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)

- application of new aid modalities: major differences among donors
 - 'progressive' versus 'conservative'
 - but all agree on the low quality of APR (see OECD-DAC survey, SPA survey)

↓

risk: M&E bombardment (see pre-PEFA period)

5. Which way forward?

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 (PAFs, JSR)

- 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 (2004)
 - 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 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
- So far: No standard procedures but some interesting 'experiments':
 - Joint Sector Reviews (and annual review meetings)
 - ✓ "assessment of the performance of an intervention, periodically or ad hoc"
 - ✓ 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>)