

THE AID ARCHITECTURE DEBATE: BEYOND BUSAN

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MONITORING AND EVALUATION IN THE CONTEXT OF CHANGING AID MODALITIES

The Research Platform on Aid Effectiveness is based at the Institute of Development Policy and Management (IOB, University of Antwerp, Belgium). This Platform studies the 'new aid architecture' (NAA) from four angles: (1) political economy of aid, reform and governance; (2) monitoring and evaluation; (3) gender; (4) macroeconomic and fiscal dimensions of aid. Policy briefs summarise the most important findings of research carried out by the team while presenting some specific recommendations. This brief sheds light on monitoring and evaluation (M&E) in the context of changing aid modalities. It elaborates on the importance of M&E, discusses progress in the M&E reform agenda and suggests possible ways forward.

PART I: EVIDENCE

M&E: crucial ingredients in the PD/AAA

The 2005 Paris Declaration (PD) and the 2008 Accra Agenda for Action (AAA) elaborated a reform agenda for donors and recipients around the core principles of ownership, alignment, harmonisation, managing for results and mutual accountability, with the aim of improving the effectiveness of aid. One of the crucial reform areas relates to monitoring and evaluation (M&E). Although 'monitoring' and 'evaluation' are often used interchangeably, they are clearly distinct activities. Whereas monitoring is more descriptive and assesses whether different levels of an intervention (inputs, activities, outputs, outcomes and impact) are achieved as expected, evaluation is more analytical, addressing the 'why' question. M&E serves two functions: 1) 'accountability' towards funders, taxpayers and citizens, and 2) 'lessons learning' and 'feedback' towards management and policy makers, with the aim to improve further interventions.

The importance of M&E in the context of changing aid modalities may be understood from several different perspectives. First, the establishment of well-functioning recipient M&E frameworks is crucial for the realisation of evidence-based, results-oriented and iterative policy-making. Second, mutual accountability and the quality of related dialogues are conditional upon the availability of M&E systems that provide accessible and reliable information. Third, the establishment of well-functioning recipient M&E frameworks is crucial for donors, particularly if they scale down their own parallel M&E systems and become (largely) dependent upon the recipient's systems for their own accountability towards their home parliaments and public opinion.

M&E reform agenda: outlook and progress

In the PD/AAA, recipients commit themselves to establishing results-oriented reporting and assessment frameworks, while donors are expected to use these

frameworks and to harmonise their monitoring and reporting requirements. Moreover, recipients and donors jointly commit themselves to strengthening country capacities and demand for results-based management. Despite these commitments, progress in the implementation of reforms in this area is weak. Donors overwhelmingly continue to use their own M&E apparatuses, and they are slow to harmonise amongst each other.

This may be partly justified by the lack of reliable recipient M&E systems. The most recent PD survey (2008) indicates that only three countries (Mozambique, Tanzania and Uganda) out of the 54 that were included in the survey had adequate results-based frameworks (PD Indicator 11). There are interesting variations in the scores on the three sub-components of PD Indicator 11 (i.e. 'quality of development information', 'stakeholder access to information' and 'coordinated country-level monitoring and evaluation'). Whereas improvements have been observed in the area of data generation, sharing and dissemination, progress in establishing coherent, coordinated and well-functioning M&E systems is lagging behind.

Despite this sobering diagnosis, little attention is being paid to strengthening recipient M&E systems. Moreover, when such initiatives are taken, a relatively narrow technocratic vision of M&E has prevailed, with a bias towards methodological and technical issues, to the detriment of broader policy, institutional and systemic issues.

Taking stock of recipient PRSP M&E systems

The first essential step in any capacity-development effort is to take stock of what already exists. While Indicator 11 of the PD provides a useful overall impression of M&E quality in a large number of countries, it is restrictive in the dimensions that it captures. Our 2007 desk study for 11 Sub-Saharan African countries (Holvoet and Renard, 2007) uses a

more comprehensive approach and studies PRSP M&E systems based on 23 questions grouped into six headings: policy, methodology, organisation, capacity, participation and use.

- Our findings highlight that a large majority of the sample countries lack M&E plans outlining what to monitor and evaluate, how, why and for whom. M&E policies overwhelmingly deal with ‘monitoring’ at the expense of ‘evaluation’. As a result, the focus is much more on stocktaking (*‘Were the targets met?’*) than on analysing the underlying reasons (*‘Why were the targets met, or not met?’*). The neglect of evaluation is not entirely surprising. In addition to being more difficult methodologically, evaluation is also politically more challenging than monitoring is. If a particular intervention is unsuccessful, an evaluation may reveal the particular policies or management practices that are the root cause, thereby implicitly laying the blame with particular people in authority. In a similar vein, we may also understand the silence of M&E chapters on the key principles of ‘autonomy’ and ‘impartiality’, which are particularly crucial for accountability purposes.
- The highest PRSP M&E scores are generally reported for ‘methodology’. Most countries have strategies for increasing the coverage and quality of ‘statistics’, lists of indicators and targets are included in most PRSPs and sources of data collection are identified for most indicators. One weakness is that the focus is predominantly on ‘input’ (budget) and ‘impact’ (MDG) indicators, while the intermediate indicators (e.g. ‘output’ and ‘outcome’) that connect the two extremes are often lacking. This is also not surprising, as output and outcome indicators are usually specified at sector level, where Management Information Systems (MIS) tend to be weak. Additionally, horizontal linkages between the sector MIS and central national statistics office are often underdeveloped. Indicators are not linked to any underlying programme theory that makes clear which actions are expected to produce which results and why. At the time of reporting, this often makes it difficult to make much sense of the findings generated.
- One particular challenge in most PRSP M&E systems involves the specification of a clear structure for the coordination and oversight of the various actors and agencies involved. In most cases, sector M&E is only partially linked to the central M&E unit and linkages with decentralised levels are often even more problematic. While the role of local authorities in data collection and the transfer of these data to the national level is acknowledged, the fact that there is also a need

for a reverse information stream and for analysis and feedback into local decision-making goes largely unnoticed. Interestingly, even where M&E oversight mechanisms have been installed and functioning for some time, institutional competition among agencies may cause them to disappear again. Even though donors largely continue to dominate the M&E scene, this is hardly ever explicitly recognised, and little is done to improve the articulation of their M&E outputs with national systems.

- Weaknesses in national M&E ‘capacity’ are acknowledged in many PRSPs, and plans for remediation are often included. These plans, however, contain a similar emphasis on the development of technocratic and methodological capacity. Within the context of M&E capacity development, the contributions of local research institutes, local M&E experts and national/regional evaluation associations have thus far remained underexplored.
- The active interests of players on both the supply and demand sides of M&E outside national governmental structures constitute a key factor in the success of the new aid modalities. Audit offices, parliaments, civil society organisations (CSOs), research institutes, national evaluation societies and donors may provide evidence and analysis about the implementation and impact of policies (supply of M&E), and they may hold governments accountable and request information (demand for M&E). In practice, however, this area does not develop parallel to discourse. The crucial role of parliaments in M&E goes largely unnoticed, and the participation of CSOs is largely ad-hoc, tending to neglect the independent watchdog role that these organisations can and should play. For more information on CSOs, see also Policy Brief 2.
- Finally, M&E outputs are only occasionally fed back into decision-making processes. This is related to their low analytical quality, as well as to resistance to the principle of evidence-based policy-making. While the countries that have already produced more than one progress report have made some progress in comparing actual performance to baseline data and targets, no evaluative analysis was offered for the non-achievements of targets. In general, progress reports are elaborated exclusively for donors, and they are not used for accountability purposes by CSOs, parliaments or other national stakeholders. Feedback mechanisms between the M&E office and planning and budgeting departments are often weak, which also puts the use of M&E outputs in national policy-making into perspective.

Considering that most recipient M&E systems are, at best, only partially developed, it is not surprising that donors are reluctant to rely upon them. This reluctance, however, blocks the further elaboration and maturing of recipient systems. In order to escape this persistent chicken-and-egg dilemma, we propose a pragmatic two-track approach. This approach combines a long-term perspective of strengthening recipient M&E systems (with a focus on the supply and demand sides of M&E) with complementary M&E exercises that fulfil the existing M&E needs in the short and medium term.

The quality of complementary exercises and, more specifically, the degree to which they are able to cope with the existing demand for M&E among recipients and donors are crucial factors in convincing donors to decrease the number of their own stand-alone M&E exercises. At the same time, these exercises should be arranged in such a way that they feed as much as possible into strengthening recipient M&E systems (Track 1).

Joint Sector Reviews

Neither M&E theory nor experience in other settings offers any clear-cut recipes for the design of complementary M&E exercises between donors and recipient countries. On the ground, various stakeholders are experimenting with ad hoc solutions to the challenges they face. At the sector level, Joint Sector Reviews (JSRs) provide an interesting strand of M&E experiments. These reviews are increasingly being used within the context of Sector Wide Approaches (SWAs). JSRs are forums within which to assess progress, resolve issues and reach agreements on sector progress. While there is thus far no standardised definition, a JSR may be described as a joint periodic performance assessment in a specific sector with the aim of satisfying the accountability and learning needs of both donors and recipients. 'Performance' is to be interpreted broadly; it may include a focus on substance at various levels (i.e. inputs, activities, output, outcome and impact), as well as on underlying, systemic and institutional issues.

While JSRs are increasingly being used on the ground, and although practitioners consider them as vital components of sector programmes, they have thus far remained under-researched. To fill this gap, Holvoet and Inberg (2009) reviewed JSRs in the education sectors of Burkina Faso, Mali and Niger, with the goal of analysing the extent to which these JSRs effectively reconcile objectives of accountability and learning, while simultaneously feeding into the M&E reform agenda.

The review highlighted that JSRs score strongly on coordination, harmonisation, leadership and broad-based participation; all of these areas represent M&E

principles that have traditionally proven difficult to realise. The JSRs are led by the sector ministry (alone or with the lead donor); they bring together a broad variety of actors, and they make considerable efforts to coordinate and harmonise at the sector level, as well as between the sector and central levels. While little cross-reading among various data sources has been tried thus far, JSRs create a forum for triangulation of information gathered by actors who operate at different levels. This may improve the validity of the exercises and enhance trust, which is particularly vital for donors who are conventionally reluctant to align. Furthermore, JSRs have a number of attractive organisational features designed to stimulate the feedback and use of M&E findings. They are linked to annual or periodic review meetings and dialogues, in which conclusions and recommendations are discussed and negotiated, and they are generally integrated into a continuous process of follow-up and negotiation through sector working groups.

The analytical quality of JSRs is often poor, however, and all too dependent on the sector performance report, which is the main documentary input of the sector ministry. The questionable quality of these reports suggests deficiencies in the quality of the underlying recipient M&E system. Despite observed weaknesses in underlying M&E systems, JSRs remain largely focused on substance (especially sector activities and outputs), while neglecting institutional and systemic issues (i.e. the underlying processes, including the management information systems). In the short term, this is understandable, as stakeholders are primarily interested in sector 'substance'. Failure to invest in systemic issues, however, runs counter to the increased awareness that institutional capacity is important to the successful implementation and achievement of sector outcomes and impact.

PART II: RECOMMENDATIONS

This section provides a selection of recommendations on how to move forward in the area of M&E.

Strengthen recipient M&E systems: Incremental changes instead of blueprints

External suggestions for small incremental changes to existing M&E arrangements will be more feasible and sustainable than radical changes. Taking stock of what already exists is a necessary first step. Joint diagnostic tools (e.g. the PEFA framework that is used in assessments of public finance management) are preferable, in order to avoid a bombardment of M&E diagnostic assessments by various donors. The elaboration of a diagnostic framework could also benefit from meta-evaluation literature and peer-review experiences.

Invest in complementary M&E exercises in the short and medium term

Investing in the quality and robustness of complementary joint M&E activities is important, in that it restrains donors from maintaining or returning to their own isolated M&E activities. In principle, JSRs have the potential to function as M&E exercises that reconcile objectives focused on the short and medium term, at least if they allow for the strengthening of the M&E system in the short term. While this necessitates additional investment, it will ultimately improve the quality of sector performance reports, which will subsequently have a strong influence on the quality of the JSR. In the long term, such investments will lead to less laborious complementary M&E exercises and allow the JSR to evolve from an assessment of 'substance' to a monitoring and assessment of the quality of sector M&E systems (i.e. a type of meta-evaluation instrument).

Don't forget the independent M&E demand and supply side

Strengthening recipient M&E systems and JSRs should not focus solely on official government M&E. Investing in the M&E capacity and manoeuvring room of actors outside the government (e.g. parliament, CSOs, evaluation societies, research institutes) is crucial for 'learning' and 'accountability' purposes. Networking among various non-governmental actors who have access to different types of information and resources might help to increase the evidence base, as well as its use and influence. Local research institutes and national evaluation societies could have important benefits in this regard. In the long term, a strong local research community is vital to the creation of an evidence-based decision-making culture and to the establishment of national systems of downward accountability.

Recognise the political embeddedness of M&E

To date, donors have adopted a narrow technocratic vision to the M&E reform agenda. This is surprising, in view of the fact that they widely acknowledge the political dimension of project M&E. They seem to lose sight of the importance of politics, however, when they move to a higher level, where the stakes are much higher and the actors more powerful. Although this technocratic stance may be less troublesome for donor staff, it risks undermining the functions of 'accountability' and 'feedback and learning'. Smart donors should acknowledge the institutional and political embeddedness of M&E. They can contribute to an evidence-based public debate, and they can

even help to open up closed political opportunity structures (see Holvoet and Rombouts, 2008).

Need for impact evaluation and evaluation synthesis

Over the past years, performance monitoring has crowded out evaluation, among donors as well as recipients. Joint donor efforts might be particularly valuable in the area of impact evaluation, which tends to be undersupplied due to its global public-good nature. In order to stimulate feedback concerning evaluative findings both within and across countries, there is a need for the integration of evaluative findings in national M&E systems, as well as in large international databases. This would stimulate meta-evaluative and evaluation-synthesis exercises focused on reviewing evaluative evidence from individual evaluations with the aim of increasing evidence-based learning.

Evaluation of the PD/AAA

Evaluative exercises such as the ongoing evaluation of the PD/AAA are to be applauded. The PD/AAA should be conceived as an experiment in itself, which calls for careful evaluation. A theory-based approach that distinguishes among process (implementation) and impact evaluation is useful for this purpose. Distinguishing among implementation failures and conceptual flaws in the actual underlying theory will be particularly important in efforts to realise further improvements in the present aid architecture.

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This brief was prepared by Nathalie Holvoet (nathalie.holvoet@ua.ac.be) and Liesbeth Inberg (liesbeth.inberg@ua.ac.be).

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