



Monitoring and Evaluation **Guidance Note**

May 2009

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Section One Introduction

This paper sets out a brief description of the concepts underpinning the Monitoring and Evaluation work stream of the SPARC Programme. It is intended to:

- Enable SPARC to develop and share a common understanding of the underlying concepts of public financial management which will inform programme design and implementation;
- Facilitate a dialogue between the State Level Programmes to ensure consistent approaches to public financial management reform, and ensure that opportunities and synergy are recognised and acted upon;
- Enable SPARC State Team Leaders to brief stakeholders and guide SPARC State Team members' activities.

The paper should be read in conjunction with other notes in this series, which are available from the SPARC team.

- Overarching Concept Guidance Note
- Policy and Strategy Guidance Note
- Public Financial Management Guidance Note
- Public Service Management Guidance Note
- Knowledge Management Guidance Note
- Federal Support Guidance Note
- Local Government Reform Guidance Note
- State Evaluation and Assessment Tool Guidance Note

Section Two Monitoring and Evaluation Defined

Monitoring is the activity of collecting, recording, communicating, analysing and using information for the purpose of management control and decision making. The primary role of monitoring is to provide the information by which the managers of an intervention (policy, programme, project, etc.) can identify and solve implementation problems, and assess progress and achievements in relation to what was originally planned. The **Management Information System** (MIS) is the data management and reporting system that facilitates this process. **Evaluation** provides periodic assessments of the relevance, efficiency, effectiveness, impact and sustainability¹ of an intervention in the context of its stated objectives. Evaluation has two main roles – to provide accountability for what has been delivered and achieved (often referred to as summative evaluation) and to identify necessary modifications in ongoing or future intervention design (often referred to as formative evaluation).

It is important to consider these definitions as they relate to the broader concept of performance management in order to see where monitoring and evaluation sit within a performance management framework. A **Performance Management Framework** (PMF) can be defined as the collection of strategies, plans, policies and indicators that enables the performance of a policy or programme to be monitored and evaluated effectively and efficiently. As the overarching guidance note sets out, the core elements of our performance management framework are the **SLP logframes**, the **Change Matrices** that will set out the realistic reform expectations of State Governments; the **Change Plans** which set out what State Governments will do to achieve their

¹ OECD DAC evaluation criteria

reform goals; and the **SPARC Workplan** that sets out how we will support State Governments to this end. Figure 2 below illustrates the linkages between these elements of the PMF.

Figure 1: The Performance Management Framework – how it works at State level



Monitoring and evaluation must therefore address these elements directly – by ensuring that M&E considerations are integrated in the assessment and planning process, and that feedback and evidence is subsequently available to inform management decision making by state governments and SLPs as Change Plans are implemented.

Section Three SPARC Approach to Monitoring and Evaluation

Our approach is guided by the requirements of the SPARC terms of reference and project memorandum:

Figure 2: Monitoring and evaluation principles and deliverables

M&E Principles

- Build capacity of government to collect & use data for policy formulation
- Initial focus on better use of existing data
- Longer-term focus on building demand for M&E...
- ...Ultimately to utilise state level M&E systems to monitor reform progress
- Consistent approach to M&E across all SLPs

M&E deliverables

- A comprehensive performance management framework (across all SLPs)
- SPARC baseline surveys
- State level 'nested' logframes & AWP approved by state oversight committees
- Quarterly & annual performance reports

Source: SPARC terms of reference and project memorandum, DFID

We will apply a **results based management approach** to how we plan, monitor and evaluate our work and that of the state governments in seeking to progress through the platform approach to achievement of state government reform objectives. We will achieve this by:

Figure 3: Addressing RBM principles

RBM principles	Link to the PMF
<ul style="list-style-type: none"> Establishing what outcomes are being sought Knowing and questioning the theory of change and the evidence for it 	⇒ Baseline assessments leading to establishment of high level state reform agendas
<ul style="list-style-type: none"> Analysing progress and achievements against these expectations and the theory of change 	⇒ Programme M&E and joint review to assess progress and achievements against state reform agendas, platforms/roadmaps and workplans
<ul style="list-style-type: none"> Using this analysis to improve design and delivery 	⇒ Adjusting state platforms/roadmaps and workplans in light of experience
<ul style="list-style-type: none"> Reporting on the extent of achievement of performance expectations and the contribution made by the programme to the observed performance 	⇒ Providing accountability to DFID and encouraging an evidence based approach within state governments

Our approach seeks to build on the lessons of national M&E strengthening, as epitomised by such publications as “Beyond the numbers – Understanding the institutions for monitoring poverty reduction strategies”². Such lessons point to the vital importance of encouraging greater use of monitoring information through attention to issues of demand and incentives, and to a network or systems view that links government M&E to a wider network of information providers and users such as think tanks, watchdog bodies, donor agencies, etc.

Section Four The Scope of an Internal M&E System

The internal SPARC M&E system should track progress and achievements against the SPARC work plan and budget and contribute to the tracking of progress against reform platforms and towards the achievement of reform objectives.

Internal monitoring will be centred on ensuring that SPARC can report effectively on the work it has undertaken through its quarterly and annual reports, encompassing what was done compared to plan; how this has contributed directly to the objectives of each activity; and how these activities have contributed to the bigger picture as represented by the platforms approach and high level reform agenda.

Core elements of the internal monitoring and evaluation system will include:

- **SPARC planning and monitoring templates** – The use of simple but standardised planning, monitoring and reporting templates for common work types³ in order to link SPARC activities back to logframe outputs and into the platforms approach. Our approach to the design and use of such templates will emphasise the use of innovative tools to capture stories of change (with clear links to knowledge management) and a strong focus on qualitative and participatory M&E (similar to the approach envisaged in SEAT Guidance Note where measurement is also part of the dialogue process).

² World Bank, 2006

³ Eg. training, process consultancy, facilitated workshops, field verification visits, etc.

Figure 4: Scope of the SPARC Internal M&E system



- **Programme reports** – In a similar way, ensuring that reports are explicitly linked to the PMF so that we can see *ex ante* how each TA input is meant to contribute to the bigger picture (by including this in the TOR and induction briefings) and *ex post* what contribution was actually made
- **Data capture from government systems** – Wherever and whenever we can, we will use government M&E data to track our own performance in order that we can both experience and demonstrate the associated challenges and benefits.
- **Evaluation studies** – An annual programme of small but strategic evaluation studies will be designed in order to explore in more depth particular issues or aspects of performance that will enable us to feed useful information into annual OPRs. This programme will also include support for evaluation studies commissioned through SPARC by the state governments as referred to below in section 5.
- **Baseline assessments and updates** – the content and process for baseline assessments is set out in the Overarching Guidance Note. While assessments will be conducted as much as possible with government, we recognise that they are essentially SLP tools and are therefore also included under the heading of programme M&E.
- **Joint reviews** – These represent a special case. Our intention is that they should be led by State Government and conducted jointly with other SLPs, focusing on progress through the platform approach and towards state reform objectives. In this sense they are not part of the internal M&E system. Nonetheless, and particularly during the early years of the programme, we anticipate that these will require considerable support from SPARC and will also generate vitally important data and feedback to inform us of our own progress, achievements and lessons.

Other aspects of the internal M&E system might include links to the programme's Financial Management Information System (through coding etc.) to link expenditure to activities and work streams to support assessments of cost efficiency and effectiveness; and links to knowledge management to ensure effective access to and use of M&E findings.

All reporting arrangements will be aligned with quarterly programme review cycle and the system will include a process and schedule for compiling performance information to be fed into annual joint reviews and the annual OPR process. And there will be strong coordination with other SLPs to ensure a sufficient degree of consistency and read across between our respective M&E systems.

Section Five Building State Government M&E Capacity

Scoping support to strengthen state government M&E

Support to strengthening government M&E should start by working with what already exists. This will be informed by the baseline assessments and will aim to identify some early institutional entry points and key constituencies for whom existing information can be targeted and packaged.

M&E will be integrated into Change Matrices and Change Plans so there will be some agreed reform goals and intermediate outcomes for strengthening M&E. These must be integrated into a broader and longer term strategy for M&E capacity development in the same way as the other technical streams (PFM, PSR, etc.). A key element of this strategy might well be to encourage a strong and consistent focus on evaluation, to fill the information gap whilst monitoring capacity and demand are built, and to ensure that evidence is available for targeting at the entry points identified through our assessment process.

The M&E capacity development strategy will require a strong change management aspect to it⁴. The baseline assessments and SEAT approach should provide the framework, but we will also need to design a strategic capacity development process and consider which mix of support modalities best supports not only technical capacity development but also changes in perceptions of the role and meaning of M&E. This might in the first instance involve such simple tactics as establishing a discourse around 'research and evidence' rather than the more negatively perceived terminology of M&E.

The joint review process as explained in the previous section will be a critical building block for strengthening government M&E capacity, and we will focus on this from the start as a key anchor to build government ownership and interest in M&E.

Constructing a baseline of M&E systems and practices

Much information already exists about M&E in Nigeria, and much of this information points to the failure of M&E to support decision making:

Current M&E practices within Ministries are partial, superficial and sporadic. Within Government M&E has not been regarded as an important function; and the organisational units carrying it out have been under-funded, under-utilised, and their reports ignored in the processes of budget allocation and programme prioritisation.

The key challenge relates to the political will to use M&E as a set of tools to provide evidence for making big decisions about resource allocation. This political will must cascade down through Ministries and agencies to ensure that its effect is fully felt, to ensure that incentives exist for Government officials engaged with M&E to challenge the status quo.

[Source: Baseline diagnostic study of the current MDG monitoring and evaluation system, Nigeria Report to OSSAP-MDGs, ITAD 2006]

An early task will be to construct a meaningful baseline of M&E systems and practices in order to establish realistic expectations for M&E systems strengthening. This will necessarily focus on

⁴ By this we mean building understanding and ownership of the capacity development process itself as well as the capacity development objectives. Such an approach would encompass change champions, communication about the change agenda, mentoring and coaching, etc.

formal requirements and organisational arrangements for M&E, and is likely to produce similar findings to those presented above.

Given the poor incentives for use of M&E information, a key additional focus will be on identifying possible entry points to cultivate and serve demand for research and evidence to support decision making in the policy/budget cycle. In this sense, M&E must be an integral part of the SEAT approach led by the other technical work streams.

The M&E baseline will therefore encompass the following elements:

Objective baseline data

- A description and analysis of the legal framework and organisational arrangements for M&E across State Government
- An inventory of existing State Government M&E systems and organisational arrangements, including an assessment of their current functionality and quality
- An analysis of the extent to which M&E systems and information are connected and coordinated across State Government
- An inventory of federal and non-state government M&E systems and processes that could or do support State Governments (with a particular focus on the national statistical system)

Qualitative baseline data

- Participatory assessment of the role M&E in the policy/budget cycle as part of the SEAT approach
- Case study analysis of M&E successes to understand why information has been used
- Case study analysis of M&E failures despite the availability of information to understand why information has not been used

Together these baseline assessments should enable us to identify some entry points or opportunities within the national and/or state level M&E system to encourage and support better use of existing M&E information.

Possible strategies for dealing with likely weaknesses

The weaknesses to be found in State Government M&E systems and practices are likely to be as follows:

- | | | |
|----------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Relating formal requirements and organisational arrangements for M&E</p> | <p>to</p> | <ul style="list-style-type: none"> • Low technical capacity and morale within units responsible for M&E • Under resourcing of M&E, including its treatment in budget processes • Over emphasis on monitoring of capital projects and compliance rather than development results • Poor quality, coverage and coordination of routine administrative and statistical data within and between MDAs • Inaccuracy or unreliability of vital data sets that underpin key M&E processes • Very limited focus on evaluation • Poor coordination and linkages within the broader 'national' M&E system, both by government and by donors |
| <p>Relating institutional incentives for M&E</p> | <p>to</p> | <ul style="list-style-type: none"> • Non use of M&E information seen as a demotivator for those charged with M&E responsibilities • M&E seen as a threat to the real interests of decision makers • Territoriality and a desire to control (and add to) rather than rationalise M&E systems • Weak or absent accountability mechanisms • Lack of shared understanding of what information is used and for what purposes |

Many of the weaknesses above relate to issues covered by other work streams – e.g. staff morale is a PSR issue; resourcing of M&E is a PFM issue; and M&E as a threat is a political economy issue. But there are a number of M&E specific strategies that could be deployed to encourage greater use of M&E, including:

- Identifying and understanding links with budget and planning processes;
- Focus on analysis and evaluation, such as through strengthening of central analytical units close to decision makers (e.g. budget office), through joint analytical exercises between government and donors;
- Compiling and disseminating existing M&E information across government in technical and non-technical ways;
- Links with parliament, e.g. by strengthening the research function in the State Assemblies and the use of evaluative information in parliamentary sessions;
- Strengthening links with academia and civil society on both the supply and the demand side (for example through close coordination with SAVI);
- Capacity building in data analysis for policy decision making.

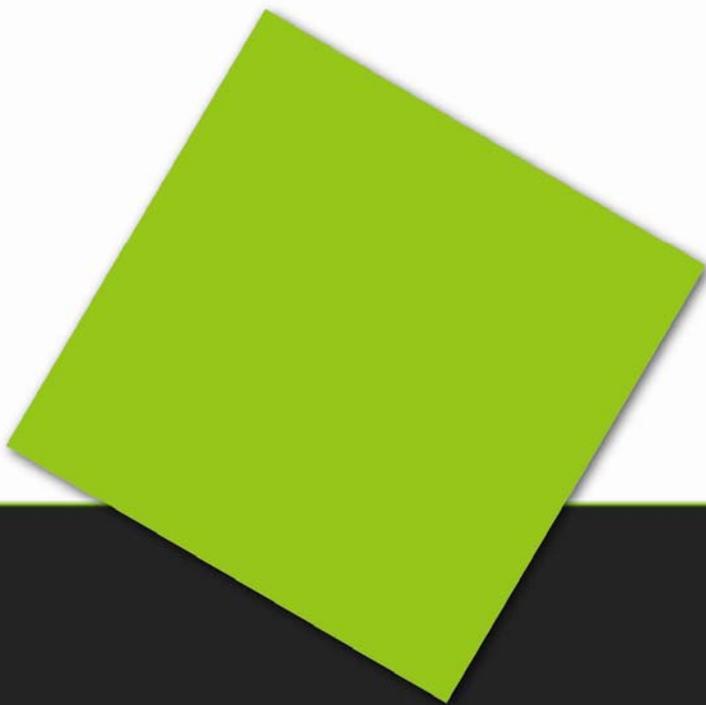
Section Six **Outline of an Initial Workplan**

The following activities are required during the inception planning stage:

- Integrate M&E issues into the SEAT approach;
- Construct a objective baseline of current M&E systems and practices within State Governments and at federal level (insofar as they affect state level M&E);
- Design the internal SPARC M&E system, including development of the M&E operational plan;
- Work with other SLPs to ensure cross-programme consistency in approaches to internal programme M&E and to strengthening of State Government M&E systems, including the development of an overall SLP logframe.

The following activities are anticipated during the inception period through to June 2009:

- Design and implementation of the SPARC Management Information System;
- Conduct of M&E aspects of SEAT approach at state level;
- Planning and facilitation support to the development of Change Matrices and Change Plans;
- Support to the design of arrangements for monitoring and evaluating progress and achievements against the Change Matrices and Plans, with a particular focus on building support for a joint review process with State Governments and across SLPs;
- Development of an M&E capacity development strategy and operational plan;
- Strategic advice and support to repackage existing research and evidence to identified institutional entry points.



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