

**AFRICA CENTER FOR PROJECT MANAGEMENT**

**ASSIGNMENT SUBMITTED IN FULFILLMENT OF AWARD OF CERTIFICATE IN MONITORING AND EVALUATION.**

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#### QUESTIONS FOR MODULE THREE

1. What are roles of donor agencies in strengthening National monitoring and Evaluation Systems?

2. At project level explain in detail the six stages of project Monitoring and Evaluation

3. Enumerate any problems associated with current approaches in Monitoring and Evaluation.

4. What is the importance of financial monitoring?

**1. What are roles of donor agencies in strengthening National monitoring and Evaluation Systems?**

Donors are the major source of development finance in many developing countries. Because of their concern about accountability in the use of their funds, they have had a strong influence on the development of many national M/E systems.

Donor agencies have played the following roles in strengthening national monitoring and evaluation system.

They have been instrumental in introducing the concept of monitoring to various institutions this has helped in strengthening national monitoring and evaluation systems.

More so the donor agencies have trained local staff in the design and implementation of monitoring and evaluation studies, this has greatly broaden the knowledge and skills of local and national staffs at various levels.

They have also provided the equipment and logistical support required to conduct the studies.

Donors have also supported innovative work in areas such as beneficiary assessment monitoring, sustainability assessment,

Donors have also provided alternative methodologies for evaluating project impacts. This has equipped the national staffs with various evaluation strategies for efficient evaluation of various projects.

**2. At project level explain in detail the six stages of project Monitoring and Evaluation**

The first stage in project monitoring and evaluation is Identification and Preparation. Before specific projects are identified, governments—often in consultation with international agencies—define their national and sectoral development strategies. Some countries prepare five−year plans, whereas others plan over a shorter period. In many countries the longer−term strategy is then translated into annual development plans (ADP). These strategies and plans calculate the national and international resources required for new development projects, determine how much is available, and identity sectoral priorities. Monitoring and Evaluation at the Project Level

The second stage is Project Appraisal, Selection, and Negotiation This stage is devoted to assessing the economic, financial, and technical feasibility of the project. Many aid agencies conduct an economic analysis and calculate the internal economic rate of return (IRR) to determine whether the proposed project can be expected to achieve some minimum acceptable IRR on the resources invested (Gittinger 1982:314). Conventional appraisal methods often have to be greatly modified when applied to social programs. Gender analysis, social impact assessment, and environmental impact assessment are among the new analytical approaches discussed.

Thirdly, Project Planning and Design. It is important to be noted that once a project has been approved, attention turns to detailed planning and design. Six kinds of activities are performed in this stage. First, information is collected to define the target population. Second, the condition to be resolved or alleviated by the project is identified. Third, the project's goals and objectives are formulated. Goals are the social change to which a project is expected to contribute. For example, a goal of the Pan American Health Organization (PAHO) was to eradicate polio from the Western Hemisphere by 1991. Objectives refer to the magnitude of an expected output from a project, expressed in quantitative terms. In the above example, a PAHO objective would be to deliver three doses of polio vaccine to 80 percent of the children in Haiti within the first year of life. Fourth, decisions are made about the duration and sequencing of each stage. Fifth, the most efficient methods of construction and service delivery are selected. And sixth, additional information is collected for formulating the program model that is expected to produce the desired social change in the target population.

Fourth is Project Implementation According to Baum and Tolbert (1985:834), ''The implementation stage covers the actual development or construction of the project, up to the point at which it becomes fully operational. It includes monitoring of all aspects of the work or activity as it proceeds and supervision by 'oversight' agencies within the country or by external donors." For many projects, this means constructing a physical infrastructure (roads, irrigation systems, schools) and acquiring plant and equipment; but for many social projects this stage may involve training, designing, and testing experimental education programs, and developing delivery systems for health and credit programs. Project implementation involves a number of distinct phases, activities, and decisions: Decisions have to be made about how the project will be organized, which will be the lead agency and the project executing agency, what other agencies will be actively involved, and how the project will be coordinated. Another important decision concerns the extent to which project beneficiaries will be involved in the planning, implementation, and management of the project. The financial, material, and human resources required for the project must be procured and mobilized. Because the procurement of resources and the contracting of technical assistance are complex tasks and may involve procedures that are unfamiliar to borrowers, the procurement phase tends to be the source of many of the cost overruns and delays that arise in projects and also affects the quality and maintenance of equipment.

The fifth stage is Evaluation of Project Implementation and Transition to Operations Once project implementation has been completed, most donor agencies and central government financing agencies ask for a project completion report that will describe and evaluate each component of project identification, appraisal, and implementation. At this point decisions may be made about how the operational phase of the project will be managed. The involvement of many donor agencies ends with the formal closing of their loan, once implementation is completed. The evaluation helps authorities decide how the operational phase of the project is to be managed. Ideally, the transition to operations should have been planned at an early stage in the project cycle, but as explained in the discussion of project sustainability in many cases little attention is given to this phase until implementation is nearing completion. The results of the studies are used to select new projects and to determine how benefits are distributed among various socioeconomic groups.

The sixth stage is Management of Project Operations and Ensuring Sustainability After implementation, the project may continue as a separate activity or it may be absorbed into the general operations of the responsible ministry or agency. If the project is to be successfully sustained, organizational and financial arrangements must be made for managing service delivery; for ensuring that the infrastructure, plant, and equipment will be maintained on a regular basis; and for assisting the formal and informal agencies and organizations involved with the project. Many projects are unable to keep operating because they paid far less attention to sustainability than to implementation. Through its continued operation, the project is intended to produce one or more impacts (or outcomes). An impact is defined as the expected effect (or effects) of a project on a target population. Impacts can be further classified as short−term and long−term (depending on when they occur and how long they last); intermediate and final (depending on the objectives of the project); and intended and unintended

New Project Identification Decisions concerning the selection and design of future projects seldom take full advantage of the M/E information from earlier projects.

**3. Enumerate any problems associated with current approaches in Monitoring and Evaluation**

The current approaches in monitoring and evaluation is associated with numerous challenges/ problems. These are explained below;

Managerial problems; this relates to the difficulties of recruiting and retaining qualified

staff for the M/E units. Often the kinds of researchers required for these units are not

appropriately defined in the civil service structure. As a result, it can be difficult to offer

Competitive employment conditions. Also the lack of a clearly defined career path for evaluators

can discourage qualified staff from entering this field.

Another constraint on the use of evaluation is the fact that most governments and implementing

agencies focus more on the assessment of inputs than on the evaluation of outputs and products.

This limits the demand for evaluations of the quality or cost−effectiveness of outputs or the

estimation of impacts.

A broader problem arises from the fact that most governments and policymakers operate within a

one−year or at most two−year time horizon. Most countries continue to operate on annual budget

cycles, and consequently planners and operational agencies tend to focus on short−term

implementation objectives. This means that one of the most powerful applications of evaluation,

namely long-term prospective studies, is rarely used. Osborne and Gaebler (1992) point out that

an important recent development in the U.S government is that some of the more innovative

local and state authorities have moved toward ten−year planning and budget cycles.

Fourth, many M/E programs suffer from resource constraints. Sometimes problems arise because

M/E was given low priority during project appraisal and resources were not specifically assigned

to it. In other cases, resources may have been used inappropriately, leaving many studies of high

priority without funding.

Furthermore there is difficulties in identifying the intended users of the M/E studies and their

information needs. M/E systems are usually developed by a central agency, often with the help

of foreign consultants, and are frequently designed to serve the information needs of central

planning and finance agencies, with little thought to the information needs of line ministries and

project implementation agencies.

Not only that but also when the users have been identified, the information may not be available when it is needed, or may not be in a usable form. Often the fault lies with the quality of the information collected, but many M/E agencies have few resources for field supervision and consequently tend to ignore or play down the problems relating to data quality. Also, project managers have little incentive to use their scarce staff resources to ensure that the information included in their Monitoring reports is complete and accurate. Managers soon realize that as long as the required Monitoring information is submitted on time to the central agencies, they will receive little feedback and will hardly ever be questioned about the accuracy of the data. Managers also prefer to avoid creating problems and consequently tend not to mention some of the difficulties their projects are facing.

The utility of many evaluation systems is affected by the way the evaluations are organized

at the project, sectoral, or national levels. The effectiveness of the M/E studies and who uses

them depends on where the monitoring and evaluation units are located. Since monitoring

systems are centralized, studies often respond more to the needs of central agencies than to those

of implementing agencies and project managers. The way the evaluation is organized may also

exclude project beneficiaries from the planning and use of the studies. Nongovernment

organizations (NGOs) may also be excluded. Furthermore, many M/E systems limit themselves

to the monitoring of project implementation and give little attention to the operational phase, the

assessment of project sustainability, or the evaluation of project impacts.

Lack of coordination. Evaluations also suffer from problems of coordination between the many different agencies involved in a project and from the logistical problems involved in ensuring rapid transmission, processing, and dissemination of monitoring information. These delays create a vicious circle. Because project managers and local agencies receive little feedback on the monitoring information they prepare, they have little incentive to provide prompt and accurate information for central agencies. As a result, the information finally produced is even less timely or useful.

Another pervasive problem is that the agencies and individuals whose support is essential for

conducting the studies or using the results may have little incentive to cooperate. Monitoring and

evaluation are often seen as threats because poor evaluation results may lead to budget cuts, staff

reductions, or criticism from higher levels. New projects or inquiries may thus find it difficult to

win approval. There are also those who believe that nothing positive will come from a favorable

evaluation. In other cases, agencies may object to the additional work involved in collecting

monitoring data—none of which they believe will be of any practical use to them.

The lack of incentives, on the part of potential clients, to use evaluation is further complicated by

the short time perspective of most policymakers and managers. With a few exceptions (for a

discussion of how evaluation data has been used by some policy analysts in Asia, see Lamb Weaving 1992), they tend to be more concerned with immediate results than with long−term

benefits and impacts. Yet, one of the areas in which evaluation can make a substantial

contribution is assessing the long term. Consequently, there is a limited demand for many of

evaluation's potential products. For the same reason, there is often greater demand for studies

which monitor inputs than for those which evaluate outputs

**4. What is the importance of financial monitoring?**

Financial monitoring of a project concerns with comparing the actual costs to the planned cost in the budget. Accounting therefore is the basis for financial monitoring that is complemented by financial progress reports and trips. The following are the importance of financial monitoring.

Financial monitoring helps in identifying actual or potential problems and provides a sound basis for changing the design or resource allocations. Since many projects last at least four to five years, the assessment report is often needed two to three years after the project has started up. The assessment covers all aspects of implementation and financial performance, the effectiveness of project organization, and its accessibility to intended beneficiaries. This assessment is largely based on a compilation of existing implementation, financial, and diagnostic reports, but in some cases additional studies may be commissioned.

Managing uncertainty and risks. Monitoring your finance creates more certainty and confidence in making both short and long term decisions. This in turn leads to a healthier business and faster growth rate.

It also provide consistent and effective platform for making decisions. By capturing data and monitoring their performance, you have a consistent and effective platform for making decisions; Management can then use this to navigate the project through both good times as well as the more uncertain and volatile periods.

Financial Monitoring also helps in Planning, directing and controlling the use of financial resources in order to ensure optimum efficiency of operations and establish cordial relations with financiers, suppliers, workers and members.

Control through appropriate measures to secure financial discipline in the use of available financial resources is also possible through financial monitoring.

Financial monitoring also makes it possible to monitor whether loans are going to the target income groups (rather than to higher−income groups, as often happens).

Financial monitoring also helps in assessing whether taxpayers or the nation or beneficiaries as a whole are receiving ''value for money.”

Financial monitoring/management is in charge of efficient planning and control of the cycle of flow of funds inflow and outflow of funds. For instance the appropriate magnitude or volume of funds needed for efficient operations (capitalization); the wise allocation of financial resources to particular assets fixed and current; the fund raising activities short-term and long-term liabilities and their composition.

Financial Monitoring also helps to ensure that funds were not being misappropriated, through provision of transparency and proper accountability to the donors.

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