Course Assignment Module Three

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**COURSE ASSIGNMENT THREE**

1. **What are the roles of Donor agencies in strengthening National Monitoring and Evaluation systems?**

Donors are the major sources 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 involvement has produced both positive and negative results.

On the positive side donors have been instrumental in introducing the concepts of monitoring, have trained local staff’s in the design and implementation of monitoring studies. 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, and alternative methodologies for evaluating project impacts.

However, donor agencies have also hindered the development of national M/E systems because their primary concern has been to monitor the performance of their own projects. As a result, they have shown little interest in helping the government develop M/E systems that can be applied to all projects. Governments are often required to apply different monitoring methodologies in a particular sector simply because projects are funded by different international agencies.

Bilateral agencies are required to account to their governments for the use of funds, and most conduct their own project evaluations with the limited involvement of national agencies. For example, both USAID and Canadian CIDA projects are normally evaluated by agency staff in cooperation with consultants who may be nationals but who are frequently brought in from outside. Although the *AID Evaluation Handbook* (1987:10) states that "the Agency places considerable importance on making monitoring and evaluation a collaborative activity involving

A.I.D's counterparts to the fullest extent possible," in most cases their projects are evaluated by AID staff and consultants, and if counterparts are involved it is to help execute the AID evaluation design.

CIDA's *Practical Guide for Conducting Project Evaluations* (1985) is written exclusively for CIDA staff and makes no reference to the involvement of national evaluation agencies.

The Organization for Economic Cooperation and Development publication "Methods and Procedures in Aid Evaluation" (OECD 1986) documents the procedures used by the major aid donors to evaluate their programs.

**Elements of donor support strategies**

\* The duration and scope of support should be flexible and balanced between the needs of long-term relations and ownership by host institutions.

\* Making the choice of support for either a national-level evaluation or a performance auditing system should include considerations on the demand for its use and the legislative backing of the system.

\* Efforts to institutionalize training in evaluation (including the training of trainers), particularly on the methodological aspects of evaluation.

\* Long-term twinning arrangements will support professionalism. Increased use of the evaluation tool in developed country governments increase the possibilities of making long-term twinning

arrangements with specialized evaluation institutions in donor countries.

\* Support for training institutions and curriculum development, which on a broad base can strengthen evaluation capabilities in government and civil society.

**The role of donor evaluation units and the Expert Group**

While the above-mentioned list provides possible ways for donors to strengthen support for ECB, the need for action by the Expert Group and donor-evaluation units must also be considered. While multilateral agencies’ evaluation units may provide support to evaluation capacity building to various degree it is very unlikely that bilateral evaluation units can take operational responsibility for support to ECB. Their independence and capacity often make limitations on such involvement. However, this does not prevent bilateral evaluation units

from using their professional competence to advise and support operational units’ activities and promote ECB in guideline and policy formulation.

*Areas where donor evaluation units may play an active role include:*

\* Promoting an agency ECB support policy or strategy, particularly in view of new aid forms being introduced, including programme assistance for institution and capacity building as part of good governance initiatives at national and sectoral levels.

\* Advocating and stimulating the evaluation issue in country dialogues and sector programme assistance.

\* Providing technical advice to operational units responsible for ECB support activities.

\* Supporting the establishment of twinning arrangements between other domestic evaluation

institutions and host country institutions.

\* Arranging joint-evaluations with a genuine participatory approach, where the needs of both parties are incorporated from the start and where the capacity building element is taken into account specifically.

\* Coordinating their evaluation programmes with host countries and other donors in order to optimize the use of resources and the constrained capacity of recipient countries’ evaluation systems.

\* Assisting in securing consistent evaluation methodologies and terminologies in the ECB support activities of the agency.

\* Advising on training facilities and materials on evaluation issues.

**The Expert Group can:**

\* Continue to promote a common methodology and terminology shared by donor and host countries.

\* Encourage and facilitate members in coordinating sector and country evaluations and in sharing them with host-country evaluation institutions.

\* Continue supporting regional networking to promote the exchange of expertise and to share evaluation information among recipient and donor countries.

\* Support regional and south-south seminars and training.

\* Facilitate the exchange of information on donor ECB support activities and promote the assessment of these activities.

Most of these proposals for the Expert Group can be combined with initiatives taken by donor agencies..

1. **At project level explain in detail the six stages of project monitoring and Evaluation**

Monitoring and Evaluation studies can be conducted at the project, sectorial, or national levels **Baum and Tolbert** **(1985 Page 333)** have defined a project as a discrete package of investments, policies, and institutional and other actions designated to achieve a specific development objective or set objectives within a designated period.

Project generally progress through seven stages. Monitoring & Evaluation systems should provide the information that project planners, implementer, and mangers need at each of these stages and should help determine whether a project has been implemented as planned, what problems to be resolved, what expected or unexpected impacts have occurred, and what lessons can be learnt for the selection and design of future projects.

**Stage 1 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 years plans, whereas other plan over a shorter period. In Many countries the longer term strategy is then translated in to annual development plan (ADP). These strategies and plans calculate the national and international resources required for few development objects, to determine how much is available, and identity sectorial priorities.

Preliminary assessment should be made of each of the short-listed projects to assess their potential viability on the basis of economic, financial, technical, institutional, social poverty environmental, and gender criteria.

**Stage 2 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 propose project can be expected to achieve some minimum acceptable IRR on the resources invested **(Gittinger 1982 page 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.

**Stages 3 Project Planning and design:**

Once a project has been approved, attention turns to detailed planning and design six kinds of activities are performed.

**First,** Information is collected to define the targeted population,

**Second,** the condition to be resolved or alleviated by the project identified.

**Third,** The project’s goal and objectives are formulated. Goals and the social change to which the 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 outcome from the project, expressed in quantitative terms. In the above example, PAHO objective would be to deliver three doses of polio vaccine to 80% of the children in Haiti within the first year of life.

**Four,** decisions are made about the duration and sequencing of each stage.

**Fifth,** the most efficient method of contractions and services delivery are selected.

**And sixth,** the additional information is collected for formulating the program model that is expected to produce the desired social change in the target population.

Whether explicitly stated or not every project include assumption about the ways in which the targeted population will response to it, the relative effectiveness of different implementation methods, and the way in which the project is likely to affect and be affected by the social, economic, and political environment in which it operates. In order to design and implement the monitoring and evaluation program The evaluator must work with program planners and managers to develop all the above assumptions and expectations in to a model of how the project is expected to evolve how it will be affected by the social, economic, and political environment in which it will operate and how the intended beneficiaries will response to it. For the present, we can define model as a planned intervention base on explicit theories about how to achieve social change or reform, and why that change should be expected. A model of a social program should make explicit different inputs can be expected to lead to certain impacts. Therefore, a model is a testable hypothesis about a project that can be refuted.

**Stage 4 Project Implementation:**

According to **Baum and Tobert (1985 Page 834)** the implementation stage covers the actual development or construction of the project, up to the point at which it becomes fully operational. It include monitoring of all aspect of the work or activity as it proceeds and supervision by the oversight agencies within the countries or by external donor.

For many project this mean constructing a physical infrastructure (road, 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 system for health and credit programs. Project implementation involve number of distinct phase, 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 concern to which extent the 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 the resources and the contracting of technical assistance are complex task and may involve procedure that are unfamiliar to borrowers, the procurement phase tends to be the source of many overruns and delays that arise in the projects and also affects quality and maintenance of equipment.

* Facilities and equipment must be constructed and installed.
* The most effective method of services delivery must be selected and implemented.
* Physical implementation and service delivery need to be supervised and financial control established for all aspects of project implementation.

**Stage 5 Evaluation of project implementation and Transition to operations:**

Once the 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 the 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 the implementation is completed. The evaluations help authorities to decide how the operational phase of the project will be managed Ideally the transition to operations should have been planned at an early stage in the project circle, but as explained in the discussion of the 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 benefit are distributed among various socioeconomic group.

**Stage 6 Management of Project Operations and Ensuring sustainability:**

After implementation the project may continue as a separate activity or it may be absorbed in to 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 services delivery, for insuring that the infrastructure, and equipment will be maintained on a regular basis, and for assisting the formal and informal agencies and organization involved with the project. Many projects are unable to operate 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 for outcome. An impact is defined as the expected effect 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 they last), Intermediate and final (depending on the objective of the project), and intended and unintended, depending on whether or not they were planned or expected).

The results of the preliminary impact studies conducted during the implementation phase are used to assess whether impacts are likely to be achieved and whether the intended target group will benefit. If the prospects in this regard look poor, corrective measures can be taken. Since most of the impact studies are conducted after the project are operating, however, their main purpose is to help improve the selection and design of future projects.

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

**Problems with Current Approaches to Monitoring and Evaluation.**

In view of the rapid proliferation of monitoring and evaluation systems, it is not surprising that many of them have had difficulty living up to the ambitious demands placed on them. Many project M/E systems have been criticized for their inefficiency and limited utility. In some cases the information arrives too late, does not answer the right questions, or is too costly to collect. In other cases the attention is narrowly focused on certain quantitative and financial aspects of the projects, and most of the information refers only to the period of physical implementation. These problems can be classified into four main groups,

1. **Organizational and Political Problems:**

Although the politics of program evaluation has been widely discussed in the United States **(Palumbo 1987),** the political dimensions of evaluation have been by and large neglected in developing countries. Needless to say, one cannot expect to understand the dynamics of program evaluation without recognizing that many central monitoring and evaluation agencies **(CMEAs)** exercise considerable influence over resource allocation and over decisions concerning the future fate of the programs they are evaluating. However, the CMEAs are frequently perceived as a threat or as a powerful resource that needs to be controlled **(Bamberger 1988a).** As a result, CMEAs are often switched from one ministry or department to another or have their powers or resources greatly reduced. **Ahmed and Bamberger (1989)** found none of the CMEAs in South Asia operating in their present location for more than three years.

Other organizational problems arise when the M/E functions are located in an inappropriate agency, when functions are assigned to different agencies and thus are difficult to coordinate, or when coordination problems restrict the flow of information between the central agency and the intended users. Donor agencies have considerable influence on the content and organization of M/E systems. The fact that donors and borrowers often need different kinds of information can create a further set of problems.

**B - Managerial Problems**

Many M/E agencies at the project, sectoral, and national levels have failed to establish clear procedures for identifying the main users of the information they produce, for comparing the importance of studies requested by different national and international organizations, and for defining the kinds of information required by each potential user.

* Consequently, the potential users complain that the studies do not provide the information they require or that information is produced too late or in a form that is not easily understood. The highly centralized nature of many CMEAs means that M/E information is used mainly by central government agencies to controlline ministries and project units and is not considered a management tool to be used by project managers.
* Many managers thus see M/E as a threat, or at least an inconvenience and they are unwilling to cooperate in data collection or analysis. This has also created concern about the quality and reliability of the M/E information provided by line agencies. Most of these problems are also found in the United States. Even though a broad range of federally and state funded programs have mandated that such evaluations be conducted, and even though the potential utility of evaluation is widely recognized,
* many program managers still seem reluctant to initiate evaluations, for the following reasons **(Carlson and Crane 1989):**
* Minimization of accountability.The pressure to reduce the size of government has brought a new sense of risk.

Managers are aware that legislators and budget departments are seeking programs that can be cut or scaled down. Consequently, there is a fear that any kind of evaluation result could be used to justify closing the program. At the same time, no benefits are expected from a positive evaluation.

**Lack of confidence that evaluation products will yield practical benefits exceeding their cost. Lack of rewards associated with sponsoring evaluations.**

* *Length of time required to begin an evaluation.* In U.S. government agencies, the process of obtaining approval to conduct an evaluation, and then to complete the procurement process for contracting consultants, is often very slow and cumbersome. Many managers do not feel that the evaluation results are likely to justify the effort involved.

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

Financial monitoring systems are required inthe mission to maximize the efficient use of resources, create the highest level oftransparency and accountability in an organization’s finances and to ensure long termeconomic success.

*Cost variance analysis* can be used to investigate any observed departure from planned costs **(Bamberger and Hewitt 1986**). Cost variances are decomposed into price variation, contractor variations in quantity or quality, and changes in project design. Similar formats can be used to monitor contractor payments, loan repayments,

Many projects provide loans to families, cooperatives, or enterprises. In order to facilitate loan repayment, it is essential to have a reliable, up−to−date record of loan authorization and repayment. By classifying borrowers into income groups, it is possible to monitor whether loans are going to the target income groups (rather than to higher income groups, as often happens). **Casley and Kumar (1987:42−43)** give an example of a more complex monthly credit record form for an agricultural project. It distinguishes between short− and medium−term credit and the purpose of the loan (purchase of seeds, fertilizer, tractors, irrigation pumps), and also between loans given under each of three different projects.

Whereas the traditional emphasis of financial monitoring was on auditing, emanating from the desire to ensure that funds were not being misappropriated, there is now greater interest in assessing whether taxpayers or the nation as a whole are receiving ''value for money." This approach, which probably originated in England with the 1983 Financial Management Initiative and since then has been adopted by Norway and a number of other European countries, seeks to introduce private sector managerial principles into the management and evaluation of government.

More complex problems may require a more careful and more detailed analysis. Rapid diagnostic studies may be used to find out why participants dropped out from a project; why farmer demand for agricultural credit is unexpectedly low; or how community work groups have been organized to construct drainage ditches and whether they are effective.

More comprehensive diagnostic studies might be concerned with assessing the effectiveness of a production cooperative program;

Government finance and planning agencies and international donors often require a midterm assessment of the overall progress of the project. Its purpose to identify actual or potential problem and to provide a sound basis for changing the design or resources allocation. Since many project last at least four to five years, the assessment report is often needed from two to three years after the project has started up the assessment covers all aspect of implementation and financial performance, the effectiveness of project organization and it’s accountability to intended beneficiaries. This assessment is largely based on a compilation of the existing implementation financial and diagnostic reports but in some cases additional assessment may be commission.

**Project Completion Report**

Most government funding and planning agencies require some kind of report from the agency that executed the project once implementation is completed. The purpose of the report is to certify that the project has been satisfactorily completed and to identify any deviations from the planned implementation schedule, outputs, and budget. In Bangladesh, for example, the Implementation, Monitoring, and Evaluation Division of the Ministry of Planning is responsible for providing a series of progress and completion reports for all projects included in the Annual Development Program. The reports have a standard format for all sectors and include a project description; financial analysis (comparison of actual and planned expenditure by year and category of expenditure); manpower analysis (estimated and actual manpower utilization); and physical analysis for each work component and benefit analysis. Benefit analysis includes a benefit−cost analysis and an estimate of foreign exchange savings due to the project. The format is largely quantitative and intended to ensure that resources have been properly used, rather than to yield lessons useful for the design of future projects **(Ahmed and Bamberger 1989; Khan 1989).**

Donor agencies also require a project completion report (PCR) on the projects they have helped finance (for a description of World Bank procedures for preparing PCRs, see **Van der Lugt 1990;** and for a description of procedures used by the Asian Development Bank, see Asian

Development Bank 1991). Depending on the experience and the available professional resources in each developing country, most of the PCR may be prepared either by the borrower or by the donor agency.

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