

Building a performance-based monitoring and evaluation system

The challenges facing developing countries

There are growing pressures in countries throughout the world to improve the performance of their public sectors. One strategy now being employed in both developed and developing countries is to design and construct performance-based monitoring and evaluation (M&E) systems so as to be able to track the results produced (or not) by governments. This paper describes a 10-step approach to the design and construction of such M&E systems that is currently being deployed in a number of developing countries. The overall strategy builds on the experiences of developed countries – especially those in the OECD – but also reflects the particular challenges and difficulties faced by developing countries that can range from a lack of skill capacity to poor governance structures to systems that are far from transparent. The last section of the paper addresses in detail the first of the 10 steps – that of assessing whether a country is, in fact, ready to begin the process of M&E system design and construction.

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Introduction

Over the past two decades, there has been a movement within governments across the globe to reform and reshape the ways in which they function. Demands by citizens for their governments to be accountable for results, transparent, and to provide more efficient and effective services echo now from continent to continent. The paradox of citizens asking for more services and programs despite steady-state or even fewer government resources, for more responsiveness from fewer civil servants, and for accountability while pressing for decentralization have left governments experimenting with a multitude of strategies in response. These pressures are helping to drive a global public management revolution.

While this revolution has taken hold mostly in the OECD countries, it has not stopped there. Indeed, in the developing world, a poorly functioning public sector

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has emerged as a key factor in the lack of progress towards sustainable economic growth (World Bank 1997). Thus, public sector reforms are now also clearly emerging in developing countries as varied as, for example, The Philippines, the Kyrgyz Republic, India, Ghana, and Malaysia, which are likewise facing increasing pressures from their citizens, their private and civil society sectors, and the international community to improve both the structures and processes of governance.

One important lesson learned from many OECD reform experiences is that when a government switches its focus from measuring whether a program is 'on track' to whether the program is achieving its desired objectives or goals (results), its overall performance improves. (Performance is meant to assume a measurable level of program and policy effectiveness and efficiency.) Improvements can come in different forms – for example, emphasizing more productivity, more public reliance on private markets, more decentralization from national to sub-national units of government, clear lines of responsibility and accountability, more responsiveness to citizens as clients, and an increased capacity to monitor and evaluate the performance of the public sector.

Whatever the chosen means, these strategies emphasize that governments should achieve the results they promise to their citizens. It also then follows that if governments are to achieve these promised results, they should be able to provide to their citizens evidence of having done so. That evidence should be transparent, trustworthy, and readily available. A results-based or performance-based (we use the terms interchangeably) monitoring and evaluation (M&E) system is an important tool that allows governments to acquire this evidence.

This paper addresses the challenge of how governments in general, but those in developing countries in particular, can begin to build performance-based monitoring and evaluation systems so as to provide credible and trustworthy information for their own use and to share with their citizens. The reality is that putting in place even a rudimentary system of monitoring, evaluating, and reporting on government performance is not easy in the best of circumstances. But the obstacles for developing countries are greater and more formidable, even as they begin to construct more traditional M&E systems. These more traditional systems typically are used to assess the progress and track the implementation of government projects, programs, and policies.

At every stage of designing and building a performance-based M&E system, the developing countries have it more difficult. This paper will address these difficulties facing developing countries – noting in places where the challenges are similar to

those for developed countries and other places where the challenges are unique. The intent here is to emphasize how it is that developing countries might approach building such a performance-based M&E system that moves beyond the traditional implementation focussed system, and what we are beginning to learn from efforts now underway in a number of these countries.

It should also be acknowledged that it is not a new phenomenon that governments monitor and evaluate their own performance. For this reason, a theoretical distinction needs to be drawn between traditional M&E and results-based M&E. Traditional M&E focuses on the monitoring and evaluation of inputs, activities, and outputs, i.e., project or program implementation. Governments have over time tracked their expenditures and revenues, staffing levels and resources, program and project activities, numbers of participants, goods and services produced, etc. Indeed, traditional efforts at M&E have been a function of many governments for several decades or longer. In fact,

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there is evidence that the ancient Egyptians (5000 BC) regularly tracked their government's outputs in grain and livestock production (Egyptian Museum, Cairo, Egypt).

Performance-based M&E, however, combines the traditional approach of monitoring implementation with the assessment of results (Mayne & Zapico-Goni 1999). It is this linking of both implementation progress with progress in achieving the desired objectives or goals (results) of government policies and programs that make performance-based M&E most useful as a tool for public management. Implementing this type of M&E system allows the organization to modify and make adjustments to the implementation processes in order to more directly support the achievement of desired objectives and outcomes.

Why build a performance-based M&E system anyway?

A performance-based M&E system can help policy-makers answer the fundamental questions of whether promises were kept and goals were achieved. If governments are promising improved performance, there needs to be some means of demonstrating that such improvements have or have not occurred, i.e., there is a need for measurement. But the issue is not measurement *per se*. There is a general need both to document and to demonstrate government's own performance to its stakeholders

as well as use the performance information to continuously improve. As Binnendijk (1999, p. 3) recently observed²:

One key use is for transparent reporting on performance and results achieved to external stakeholder audiences. In many cases, government-wide legislation or executive orders have recently mandated such reporting. Moreover, such reporting can be useful in competition for funds by convincing a sceptical public or legislature that the agency's programs produce significant results and provide 'value for money'. Annual performance reports are often directed to ministers, parliament, stakeholders, customers, and the general public.

Performance information should also be used for internal purposes, such as for management decision-making and identifying areas of improvement. This requires that performance information be integrated into key management systems and processes of the organization; such as in policy formulation, in project/program planning and management, and in budget allocation processes.

Implicit in Binnendijk's analysis is that performance measurement is a management tool for both government officials and stakeholders. First, by using the performance information in policy-making and program management, governments are indeed achieving higher levels of performance. Also, it is through the reporting on 'how well' government is doing compared to real or desired criteria that numerous parties can participate in 'the business of government'. We have seen this phenomena in many developed countries where performance information, and other official documents such as the budget, is regularly published by the media or made otherwise available to citizens. Citizens in the United States and the United Kingdom, for example, regularly pressure their national and sub-national governments to be responsive to their needs as well as be accountable for the funds put into the trust of law-makers and officials alike.

If performance information is the key, then where does it come from?

Performance information can come, essentially, from two sources – a monitoring system and an evaluation system. Both are needed, but they are not the same. The distinction between monitoring and evaluation is made here for both conceptual and practical purposes.

Performance monitoring can be viewed as periodically measuring progress towards explicit short, intermediate, and long-term results. It also can provide feedback on the progress made (or not) to decision-makers who can use the information in various ways to improve performance.

Monitoring involves measurement – and what is measured is the progress towards achieving an objective or goal (result). However, the goal cannot be measured directly. It must first be translated into a set of indicators that when regularly measured will provide information whether or not the goal is being achieved. For example: If country X selects the goal of improving the health of children by reducing childhood morbidity by 30% over the next five years, it must now identify a set of indicators that translate childhood morbidity into more specific measurements. Indicators that can help assess the changes in childhood morbidity might include: 1) the incidence and prevalence of infectious diseases, such as hepatitis; 2) the level of maternal health; and 3) the degree to which children have access to sanitary water supplies. Measuring a disaggregated set of indicators provides important information as to how well government programs and policies are working to support the overall goal. If, for example, it is found that over time, fewer and fewer children have clean water supplies available to them, then the government can use this information to reform programs aimed to improve water supplies, or strengthen those programs that provide information to parents about the need to sanitize water before providing it to their children.

Understanding the utility of performance information for various users is a key reason for

An evaluation system serves a complementary but distinct function from that of a monitoring system within a performance management framework. Building an evaluation system allows for a more in-depth study of performance outcomes and impacts; can bring in other data sources than just extant indicators; can address factors that are too difficult or expensive to continuously monitor; and perhaps most important, can tackle the issue of why and how the trends being tracked with monitoring data are moving in the directions they are.

building a monitoring system in the first place. Key users in many societies who are often left out of the information flow are citizens, NGO groups, and the private sector. The point being that monitoring data have both internal (governmental) and external uses (societal) that need to be recognized. It is important to note here that performance information obtained

from a monitoring system only reveals the performance of what is being measured at that time – although it can be compared against both past performance and some planned level of present or anticipated performance. Monitoring data do not reveal why that level of performance occurred or provide the likely causality to changes in performance from one reporting period to another. This information comes from an evaluation system.

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Because of timing as well as the need to use more rigorous methods and in-depth analysis, some performance issues, such as long-term impact, attribution, cost-effectiveness, and sustainability, can probably be better addressed by evaluation than by routine performance monitoring reports.

An additional point to make in this regard is that an M&E system can be designed for and applicable to the project level, the program level, the sector level, and the country level. (For a global overview of the development of evaluation in this context, cf. Furubo, Rist & Sandahl 2002, forthcoming). The specific indicators may necessarily be different (as the stakeholders' needs for information will also be different at each level), the complexity of collecting the data will be different, the political sensitivity of collecting the data may change, and the uses of the information may change from one level to another.

But in the end, it is the creation of a system that is aligned from one level to the others that is most critical – in this way information can flow up and down in a governmental system rather than it being collected at only one level or another, stored and used at that level, but never being shared across levels. Blocking the information from being shared ensures that the linkages between policies, programs, and projects stay disconnected and uncoordinated. At each level, performance information is necessary and there should be means to collect it. And while different levels will have different requirements that need to be understood and respected, the creation of an M&E system requires interdependency, alignment, and coordination across levels.

The 10 steps to building a performance-based M&E system

There is no consensus on how many steps necessarily go into building an M&E system. Binnendijk (1999) in her paper proposes seven steps; likewise, Holzer (1999) proposes seven steps; an American NGO (United Way 1996) proposes eight steps; and Sharp (2001, forthcoming) proposes a model with four areas for measuring performance to provide the data for monitoring and evaluation. We have described elsewhere (Kusek & Rist 2001) a 10-step approach that we have been using in working with a number of developing countries as they each design and construct their M&E system. We have opted for ten steps (rather than fewer) for the reason that it is important when building such a system to provide sufficient differentiation among tasks, i.e., there are so many challenges in building such a system that reducing the ambiguity as to the sequence and activities required at each step can only help.

As it is not the intent here to discuss in detail the 10 steps, suffice it to present them and give a brief narrative on each. Suffice it to also say that while we have labelled each of the following as a 'step', we are not implying that there is a rigid sequencing here that allows for no concurrent activities. There are a number of areas where there is the need for concurrent activity that can span over steps and over time. The selection of the word 'steps' is more to suggest a focus on discrete components in building an M&E system, some of which are sequential and essential before you move on to others. (Indeed, the last section of the paper will return to Step 1 for a more detailed discussion on how one begins this process.)

As noted earlier, there is no orthodoxy that the building of an M&E system has to be done according to these 10 steps. One can posit strategies that are more detailed in the number of steps as well as those with fewer numbers (four of which we cited earlier.) The issue is one of ensuring that key strategies and activities are recognized, clustered together in a logical manner, and then done in an appropriate sequence.

Developing countries have notable challenges

The challenges for developing countries in following our '10-step' model or any other model are many. First, in Step 2, it is assumed that governments are likely to undertake a process by whereby there will be an agreement on national or sector-wide outcomes. Although developed countries typically undertake a strategic (usually 10–20 years) or a medium-term (3–5 years) plan to guide their government priorities, developing countries can find it difficult to do so. This difficulty may stem from a lack of political will, a weak central agency (such as the Ministry of Planning or Ministry of Finance), or

The 10 steps to building a performance-based M&E system

Step 1: Conducting a readiness assessment

Conducting a readiness assessment is the means of determining the capacity and willingness of the government and its development partners to construct a performance-based M&E system. This assessment addresses such issues as the presence or absence of champions in the government, the barriers to building a system, who will own the system, and who will be the resisters to the system.

Step 2: Agreeing on performance outcomes to monitor and evaluate

This step addresses the key requirement of developing strategic outcomes and goals that then focus and drive the resource allocation and activities of the government and its development partners. These goals should be derived from the strategic priorities of the country.

Step 3: Developing key indicators to monitor outcomes

Developing key indicators to monitor outcomes is the means of assessing the degree to which the outcomes and goals are being achieved. Indicator development is a core activity in building an M&E system and drives all subsequent data collection, analysis, and reporting. The political and methodological issues in creating credible and appropriate indicators are not to be underestimated.

Step 4: Gathering baseline data on indicators

This step stresses that the measurement of progress (or not) towards goals begins with the description and measurement of initial conditions being addressed by the goals. Collecting baseline data means essentially to take the first measurements of the indicators.

Step 5: Planning for improvements – setting realistic targets

Step 5 recognizes that most goals are long-term, complex, and not quickly achieved. Thus there is a need to establish interim targets that specify how much progress towards a goal is to be achieved, in what time frame, and with what level of resource allocation. Measuring performance against these targets can involve both direct and proxy indicators as well as the use of both quantitative and qualitative data.

Step 6: Building a monitoring system

Building a monitoring system becomes the administrative and institutional task of establishing data collection, analysis, and reporting guidelines; designating who will be responsible for which activities; establishing means of quality control; establishing timelines and costs; working through the roles and responsibilities of the government, the other development partners, and civil society; and establishing guidelines on the transparency and dissemination of the information and analysis. It is stressed that the construction of an M&E system needs to clearly address the challenges of ownership, management, maintenance, and credibility.

Step 7: Analysing and reporting findings

This is a crucial step in this process, as it determines what findings are reported to whom, in what format, and at what intervals. This step has to address the existing capacity for producing such information as it focusses on the methodological dimensions of accumulating, assessing, and preparing analyses and reports.

Step 8: Collecting and providing evaluative information

Collecting and providing evaluative information focusses on the contributions that evaluation studies and analyses can make throughout this process to assessing performance and movement towards goals and outcomes. Analysis of program theory, evaluability assessments, process evaluations, outcome and impact evaluations, and evaluation syntheses are but five of the strategies discussed that can be employed in evaluating a performance-based M&E system.

Step 9: Using the findings

Step 9 emphasizes that the crux of the system is not in simply generating performance-based information, but in getting that information to the appropriate users in the system in a timely fashion so that they can take it into account (as they choose) in the management of the government. This step also addresses the roles of the development partners and civil society in using the information to strengthen accountability, transparency, and resource allocation procedures.

Step 10: Sustaining the M&E system within government

This step recognizes the long-term process involved in ensuring longevity and utility. There are five key criteria that are seen to be crucial to the construction of a sustainable system: demand, structure, trustworthy and credible information, accountability, and capacity. Each of these dimensions needs continued attention over time to ensure the viability of the system.

a lack of capacity in planning and analysis. Thus, we continue to emphasize in Step 6 that it is important to make sure that traditional implementation-focussed M&E gets done – tracking budget and resource expenditures, making sure that funded activities and programs actually occur, and that promised outputs (number of wells dug, miles of road constructed, youth competing a vocational program, etc.) all exist. The People's Republic of China represents an interesting example where efforts are being made in this area – especially with their large infrastructure projects (Rist 2000.) There is no way to move to a results-based M&E system without the foundation of a basic traditional M&E system.

To paraphrase from Louis Carroll's *Alice in Wonderland*, 'It is hard to know where to go if you do not know where you are'. Thus, in Step 4, we describe how the absence of information on the current conditions (baselines) directly hinders policy and resource planning of how to essentially address what is only weakly documented. The statistical systems in developed countries can give rather precise figures on the numbers of children in rural areas, the number of new HIV/AIDS cases in the past 12 months, or the number of disabled adults. However, in developing countries, such information may or may not be available and with widely varying degrees of precision.

Moreover, many developing countries lack the skill base residing in government agencies to make this possible. One significant hurdle to overcome is the likely certainty that few developing countries will have significant capacity in the workforce to develop, support, and sustain these systems. Typically, few government officials will have been trained in modern data collection and monitoring methods. Further, still fewer will have been trained in how to interpret different modalities of data analysis. The challenge for development agencies, for international NGOs interested in governance issues, and for in-country universities and research institutes is to provide the needed technical support and training-recognizing full well the rapid turnover in staff, the competing priorities, and the need to rebuild political support and commitment as each new political administration comes into office.

This challenge has been particularly noted in many of the most heavily indebted countries for whom borrowing from the international community is crucial and subsequent relief from this debt essential. The International Monetary Fund (IMF) does allow for debt relief if these countries can demonstrate a serious commitment towards reform, particularly reforms to promote poverty reduction. One condition for granting debt relief is a demonstrated ability of the country to adequately monitor, evaluate, and report on the reforms

proposed. We have observed the difficulties that a lack in capacity can bring about for a number of poor countries in their efforts to design and build performance-based M&E systems to meet the IMF requirements for debt relief. Some of these countries include: the Kyrgyz Republic, Madagascar, Albania, and Tanzania. The issue of poor capacity in technical and managerial skills remains a serious challenge to be overcome.

A second challenge for developing countries is that the governments themselves are often only loosely interconnected, lack strong administrative cultures, and function without the discipline of transparent financial systems. This has the result of those in government then not being certain of actual levels of resource allocation, whether what is allocated goes where intended, and if/when it arrives if it is used as intended to achieve desired results. Measuring government performance and results in such an environment can become an approximation at best. In Romania, for example, the budget process has, in the past, been one where final budget approval into law does not occur until mid-way through or near the end of the budget year. Agencies were allowed to spend up to 1/12 of the previous year's budget per month until final approval of that year's budget. This made it very difficult to introduce a fiscal discipline that includes any concern whether programs are achieving their intended results. However, even in this situation, Romania has begun to think about how the budget may be used as a catalyst to focus on results. The Ministry of Finance has initiated a pilot program that links planned expenditures with a set of programmatic performance indicators.

Third, and based on the above two noted constraints, the construction of a results-based

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system is hindered when there is no means to link performance to a public expenditure framework or strategy. Keeping performance information separate from the resource allocation process ensures that budget allocation decisions do not consider past performance by line agencies in achieving their intended program goals. Linking the budget process to the knowledge coming from the M&E system begins the process of allocating resources to strategic objectives and targets. If no such link is made, then the budget process can be supporting project and program failures just as readily as it is funding those that are successful. Many developing

countries still operate with two budget systems, one for recurring expenses and one for capital expenses. Egypt is one such country. The Ministry of Planning has primary responsibility for the capital budget and the Ministry of Finance has responsibility for the recurrent budget. In Egypt, the Minister of Finance is very interested in using the budget process to catalyse the government to focus on improving the performance of the government's programs and policies. He hopes that implementing a performance-based M&E system will help achieve this. Implementing this with a two budget system will be difficult, unless the Ministries of Planning and Finance can together ensure that both budgets are used to achieve the Government of Egypt's objectives and goals or the budget is consolidated under one ministry.

Back to the beginning - first things first

We turn now in this last section to the very beginning of building an M&E system - conducting a readiness assessment. This first step is often overlooked by system designers and we believe this merits special emphasis here. Understanding the complexities and subtleties of the country or sector context is critical to the ultimate success or failure in introducing and using an M&E system³.

Furthermore, the needs of the end users are often only somewhat understood by those ready to start the system building process. For all the good intentions to advance the use of M&E information in the public sector, there has been, from our vantage, too little attention given to organizational, political, and cultural factors⁴.

The obvious question is 'why?'. The answer lies in the lack of sufficient attention to understanding the influence of these factors on whether the country

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is 'ready' to move to one that is intent on measuring the performance of government programs and policies. Thus we believe that the first step in the design of a performance-based M&E system should be to determine the 'readiness' of a government to design and use such a system. If one reads through the literature on building such a system, regardless of the number of steps, the presumption time and again is that, like a runner getting ready to begin a race, the designer comes up to the starting line, hears the gun, and starts building the system.

Consider these three descriptions of how to begin with Step 1:

- 'Assemble and orient an outcome measurement work group.' (United Way 1996, p. 12)

- 'Identify in clear measurable terms the objectives or results being sought and develop a conceptual framework for how results will be achieved.' (Binnendijk 1999, p. 4).
- 'Identify the programs to be measured.' (Holzer 1999, p. 3).

None of these descriptions suggest there is considerable work to do before beginning with the actual construction of the system; nor do the other models we surveyed. But there clearly is much to do beforehand.

Why is it important to begin with a readiness assessment?

Our experiences in conducting readiness assessments prior to assisting in the building of an M&E system point to one fundamental fact: conducting the readiness assessment is like constructing the foundation for a building. It is below ground, not seen, but critical. Again, in the case of the IDA countries, a clear driver is the desire to obtain debt relief from World Bank and IMF lending debt.

A readiness assessment allows those building an M&E system to assess a wide range of contextual factors before any design work. The published literature in this area is rather sparse, but there are several key sources available that stress the importance of studying current organizational capacity in designing an M&E system (Boyle & Lemaire 1999; Guerrero 1999; and Mayne 1997.) In this same arena, there are also several diagnostic guides related to the construction of a strategy for evaluation capacity development (Mackay 1999.) Assessing such capacity is a necessary part of the design process - but not enough. Other factors must also be studied in building the foundation of a sustainable M&E system. Addressing the following

seven questions are, from our experience, critical in ensuring that the key dimensions are addressed.

1. What is driving the need for a monitoring and evaluation system within the public sector?

Where the demand for such a system originates - and why - are essential factors in creating a successful and sustainable system. There are internal political and organizational pressures in a government as well as potential external factors for building an M&E system - pressures that need to be acknowledged and addressed if the response is to be appropriate to the demand. Internal demand can come from efforts to push reform in the public sector, e.g., fighting corruption, strengthening the role of the parliament, and expanding the authority of the Auditor-General. It can also come internally from political parties in opposition to the sitting government.

External pressures can come from the international aid community, which has been pressing for stronger tracking of the consequences and impacts of its development interventions. They

also come, for example, from such international organizations as the European Union and the criteria it is setting for the accession of countries, or from Transparency International, a global NGO that addresses issues of public sector corruption. Still other pressures can come from the new rules of the game that are emerging with globalisation, where financial capital and the private sector want a stable investment climate, the rule of law, and the protection of their property and patents before they will commit to investing in a country. The role that external organizations can play in generating pressures for a country to move towards an M&E system should not be underestimated.

2. Who is driving the need for an M&E system within the organization?

Champions in government are critical to the success and stability of an M&E system. A champion highly placed in the government can give a strong voice to the need for better informed decision-making, and can help diffuse the attacks of the counter-reformers who have vested interests in not seeing such a system constructed. But if the champion is away from the centre of policy-making and has little influence with key decision makers, it will be so much more difficult for an M&E system in these circumstances to take hold.

It also should be noted there that while the presence of a champion is so important, it is also important to work towards the institutionalisation of the M&E system with legislation, regulation, or decree. The need in the end is to not have a system that is personalized or based on charisma, but on the structured requirements in the government to produce quality information.

3. What is motivating the champion?

To build an M&E system is to take a political risk. Producing information in a government on performance and strengthening the basis for accountability are not neutral activities. So, consequently, the question has to be posed as to the political benefits to the champion and to his/her institution in order to be willing to take these risks. One cluster of benefits can come from responding to the pressures – doing something is better than doing nothing and letting the pressures mount still further. Another set of benefits can come from being perceived as a reformer in the government – a source of political capital. Third, there are benefits in being on the right side of the issue with the international aid community. The calls for reform, for accountability, and demonstrated evidence of impacts are all being made by the aid community and showing responsiveness to these pressures is not without its benefits. Finally, the champion may be one who is instilled with a sense of public responsibility and taking on this challenge is important and not to be walked away from.

4. Who will own the system? Who will benefit? And how much information is really required?

For an M&E system to be used, it should be accessible, understandable, and relevant. These criteria drive a need for a careful readiness assessment prior to designing the system as to ownership of, benefits to, and utility for the relevant stakeholders. Further, while these issues are on the demand side, there is a whole spectrum of issues on the supply side to be addressed as well – capacity to collect and analyse data, capacity to produce reports, capacity to manage and maintain the M&E system, capacity to use the information that is produced, etc.

The implications for those who will design the system are that complexity and over-designing are constant dangers, there will be constant erosion in the system that has to be addressed, stakeholders may want to pull the system in too many different directions at once, and little in the political arena will stay the same for long. Such an assessment will also provide important information and baseline data against which necessary capacity building activities can be built into the system. And having said all this, there is still the absolute requirement to collect no more information than is essential. We have found time and again that M&E systems are designed which are immediately in overload – too many data are being collected too often, and with not enough thought on how or whether they will be used.

5. How will the system directly support better resource allocation and the achievement of program goals?

M&E is not an end unto itself-it is a tool to promote modern management practices and better accountability. The idea in creating such a system is to support innovation, reform, and better governance. This is done by producing useful information that is also transparent, trustworthy, and relevant. It is also our view that treating the creation of an M&E system as a discrete event – unconnected to other public sector and public administration reform efforts, to efforts at creating a medium-term public expenditure framework, or to restructuring of the administrative culture of the government – is not sustainable. In fact, it is quite the contrary. Linking the creation of the M&E system to precisely such initiatives creates interdependencies and reinforcements that are seemingly crucial to the sustainability of the system. The issue for the readiness assessment is whether such linkages are both structurally and politically possible.

6. How will the organization, the champions, and the staff all react to negative or potentially detrimental information generated by the M&E system?

It is hard for an M&E system to function in an organization or political climate where there is a

great deal of fear and corruption. For it is inevitable that an M&E system will at some point produce (even if infrequently) data that can be embarrassing, politically sensitive, or detrimental to those who exercise power. The information can also be detrimental to units and individuals in the organization that have produced the information – going after the messenger is not an unknown event in organizations. If it is clear from the readiness assessment that only politically popular and ‘correct’ information will be allowed to come from the system, then the system is compromised from the beginning. It will not be seen to be credible by those who are outside the system or by others inside the system. Rather, it will be understood to be a hollow exercise.

In such a setting, building the system carefully, beginning slowly, and trying to find units that will risk the generation of potentially detrimental information about their own performance is perhaps the best that can be achieved.

There are few such systems (in whole or in part) fully integrated into the public management strategies of developed countries, and still fewer in developing countries. And it is not that governments are not trying – many are. It is just that creating such a system takes time, resources, stability in the political environment, and champions who do not become faint of heart.

Consequently, it is good to understand the barriers and obstacles that are in the organization, whether these are cultural, structural, political, or individual. Not all barriers can be addressed simultaneously in the design of the system. But not recognizing their presence, not picking the most critical and strategic ones to tackle first, and not making some initiative to address them is to ensure a level of resistance greater, longer, and more tenacious than would have been necessary otherwise.

7. How will the M&E system link, even in a rudimentary fashion, the project goals to the program goals and to sector and national goals?

It is a key task of the readiness assessment to learn of the opportunities for and barriers against linking information in a vertical and aligned fashion inside the government. In an ideal situation, the project level performance data would feed into and be linked to assessment of programs, and which in turn, would be linked to assessments of sectoral, regional, and eventually national goals and targets. Performance-based information at any level that is not linked vertically to the information needs at the next level is then not useful beyond the restricted information needs at that same level. Choking off the flow of information between levels is to ensure that performance-based decisions cannot be made

where one level informs decisions at the next. It is also relevant in this context to ascertain if there is a commitment in the collection and analysis of data to ensure that there are no levels where data are collected, but not used or shared with persons at that same level. Stated differently, can the system address the need at every level to be both producers and consumers of performance-based information?

Building a system that allows relevant questions to be asked and answered at the appropriate levels, even as some components of that information feed information needs at other levels, is the goal. Breaks in that system (much as a chain where links are missing) render the entire initiative less useful.

Postscript

Building an M&E system is easier said than done. Otherwise, we would see these systems as an integral part of good public management practices

in governments and there would not be the need to consider this issue. But the reality is otherwise.

There are few such systems (in whole or in part) fully integrated into the public management strategies of developed countries, and still fewer in developing countries. And it is not that

governments are not trying – many

are. It is just that creating such a system takes time, resources, stability in the political environment, and champions who do not become faint of heart.

This takes us to the significant challenge of sustainability. Indeed, governments willing to use performance-based information to assist in the governance of the political system and frame public policies give evidence of some level of democracy and openness. But even in these countries, there is often a reluctance to measure and monitor for fear that the process will present bad news to the leadership and other stakeholders. Presenting one’s performance shortfalls to others is not typical bureaucratic behaviour. Thus the efforts to build such a system should recognize the inherent and real political limitations, start with a simple approach, work with stakeholders to help them recognize it is their right to be regularly informed on the performance of their government, and continue to stress time and again that information can help improve policy making and public management. To achieve these modest goals should then be reason for longer-term optimism.

Notes

- 1 The views expressed here are solely those of the authors and no endorsement by the World Bank Group is intended or should be inferred.
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- 2 As this paper was being prepared, the authors were saddened to learn of the death of Annette Binnendijk in early October 2001. We mourn her passing and wish to acknowledge her substantial contributions to the field of evaluation in general, and to the development of our understanding of the links of evaluation and results based management in particular. We will miss her.
- 3 The use of the term 'readiness assessment' here is deliberately used in contrast to the term 'needs assessment.' We are of the view that it is no longer a question of whether a government ought to collect and report information on its own performance (i.e., does it need such information,) but rather only when does it have sufficient institutional capacity and political will to do so (is it ready to initiate such a system?).
- 4 We also here are framing the issue differently than that of proposing an 'evaluability assessment' (cf. Smith 1989; Wholey 1987.) The issue here is not to see if the logic and specification of a project or program is sufficiently clear that an evaluation design could be constructed prior to the initiation of the project or program, but to inquire as to whether the particular level or levels of government are in a position to begin collecting, analysing, and reporting on performance-based M&E data in a continuous fashion so as to inform the decision-making process. In this sense, the emphasis here is less on the program theory of a policy or program than on the operational capacity of a government to initiate such a new function

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