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Monitoring and Evaluation System: Some Guidelines

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1. Objectives of the Monitoring and Evaluation (M&E) System

This document describes some key features of a Monitoring and Evaluation (M&E) system with a special focus on bankable projects. The M&E system describes how the performance and quality will be continuously monitored and affect the outcomes and impact of the project. More specifically, the over-all purpose of the M&E is the measurement and assessment of performance in order to effectively manage the outcomes and outputs known as the development results. Performance is defined as progress towards achievement of results. Traditional M&E focuses on assessing inputs and implementation processes. In this framework, the focus is on assessing the contributions of various factors to target development outcomes. Likewise, this framework will provide management information needed for checking on the progress of support activities and in order to involve key stakeholders in learning to improve project implementation. The M&E system will provide quantitative and qualitative performance data by which the achievements of the desired results can be measured and judged to be able to inform the strategic planning process at critical points.

A careful analysis of the project design should be undertaken to determine: the purpose and scope of the M&E system; performance measures and the requirements of users of the M&E information; the sources of information and gathering methods; the responsibilities for M&E; critical reflection processes and events; how M&E information is to be reported and used and capacity building.

More specifically, the M&E framework provides the following basis for ***monitoring***: the attainment of **defined target results** through **outcome monitoring;** the information needs at different levels of the management structure; methods to assess project progress and performance against work plans; resource schedules and budgets; the quality of key project activities and outputs; responsibilities for undertaking monitoring activities at all levels; formats for reporting progress and achievement and issues/problems and remedial actions. Similarly, the M&E framework should provide the following basis for ***evaluation***: systematic collection, analysis and assessment of potential project impacts and associated indicators through **outcome evaluation;** identification of key stakeholders impacted by the project; critical questions to explore - based on hypotheses, assumptions and major risks inherent in the design; summary descriptions of key tools and methods to be used for evaluation; responsibilities for undertaking evaluation activities and associated reporting and implementation plan for evaluation activities.

Ideally, a Monitoring and Evaluation System of any development intervention should have at a minimum, six elements:

(i) Clear purpose and scope
(ii) Indicators and information needs
(iii) Plan for information gathering and analysis
(iv) Plan for reporting and communication
(v) Plan for critical reflection processes and events; and
(vi) Existence of the plan for necessary conditions and capacities.

These elements are highlighted in Table 1 below.

Table 1: Attributes of an M&E System

M&E Element	Elaboration of the Element
Clear purpose and scope	• Purpose. The purpose of an M&E could be: to support the project management to ensure compliance with the project's strategy and approach, to improve responsiveness, efficiency and effectiveness by providing constant feedback from the beneficiaries, project staff and other stakeholders, and to contribute to the learning of all stakeholders by promoting policy dialogue. • Scope. The scope is concerned with the extent and level of sophistication of the M&E system. M&E systems can be highly sophisticated, requiring high levels of expertise in qualitative and quantitative research methods and extensive information management. Conversely, M&E systems can be simple, requiring minimal gathering of data and largely depending on discussions with stakeholders. • The appropriate level of sophistication of an M&E system will be determined by primarily the following four issues: (i) the M&E purpose, (ii) the available resources, (iii) available M&E expertise (including among primary stakeholders and partner organizations, and (iv) the desirable level of participation in M&E by primary stakeholders and partner organizations.
Indicators and information needs	• Indicators help communicate changes that are usually more complex. Indicators help reduce data and used as a symbolic representation of a project objective, in a manner relevant and significant for those who will use the information • Information needs are identified through understanding information needs of various stakeholders. Each level of the objective hierarchy (i.e. from bottom up: activities, outputs, outcomes and impacts) needs to have its own information requirements
Plan for information gathering and analysis	• An assessment of what information can be realistically collected, given available human and financial resources • For each information need for indicator, there should be an elaboration of the ways information will be collected and organized • Details of who to use what information and which method to gather/synthesize what information • Schedule of frequency of information collection, when place of collection, persons to be involved, expected information product • Existence of technical and resource feasibility of information needs, indicators and methods • Existence of formats for data collection and synthesis
Plan for reporting and communication	• Existence of a list of all the key audiences, their information requirements, when they need it and the format they need the information in. • Existence of a comprehensive schedule for information production, showing who will do what and by when • Definition of what is to be done with the information (whether simply for onward transmission, for analytical discussion, etc.)
Plan for critical refection processes and events	• Existence of detailed methods/approaches to use, with which stakeholder groups and for what purpose • Identification of who is responsible for which reflective events • Existence of a schedule for integrating all the key lessons and recommendations and a monitoring system of progress to that effect
Existence of plan for necessary conditions and capacities	• Number of M&E staff • Their responsibilities and linkages • Organizational relationships between key M&E stakeholders • Incentives needed to make M&E work • The type of information management systems to be established and a detailed budget

1. 2. Definition of key terms and concepts:

Evaluation (DAC definition)

What? Evaluation is an assessment that refers to design, implementation and results of completed or on-going project / program / policy.

How? Evaluation should be systematic and objective. Key criteria to be used are: relevance, fulfillment of objectives, developmental efficiency, effectiveness, impact and sustainability.

Why? Evaluation should provide credible and useful information to enable the incorporation of lessons learned into the decision-making process (recipients and donors).

Monitoring (WB definition)

What? Monitoring is an integral part of a day-to-day management.

How? Monitoring embodies the regular tracking of inputs, activities, outputs, reach, outcomes, and impacts of development activities at the project program, sector and national levels

Why? Monitoring provides information by which management can identify and solve implementation problems and assess progress towards project's objectives

Evaluation Capacity Development (ECD), (WB definition)

"ECD is the process of setting up a country-based system to conduct and use M&E". To develop evaluation capacity, three main elements of the system should be simultaneously addressed: (1) demand for evaluation in public administration and interest in evaluations' findings among media and civil society; (2) supply of professional evaluation services based on properly developed information systems; and (3) institutional framework allowing stakeholders to achieve effective incorporation of evaluation findings in follow up activities.

3. The M&E system: Illustration from a rural development program in Poland

3.1. Some key facts

The Rural Development Program (RDP) has been designed to provide medium-term support to the development of the rural sector in Poland. RDP contributes to three *overall objectives* (i) increase the level of off-farm employment in rural areas, (ii) on-going decentralization of self-government and regional development, and (iii) building institutional capacity to absorb EU pre-accession and structural funds.

RDP is implemented through a series of components, addressing various aspects of the Government's Strategy for Rural Development as illustrated in Diagram 1:

Component A:	Micro-credit
Component B-1:	Labor Redeployment
Component B-2:	Education
Component B-3:	LG Administration
Component C:	Rural Infrastructure

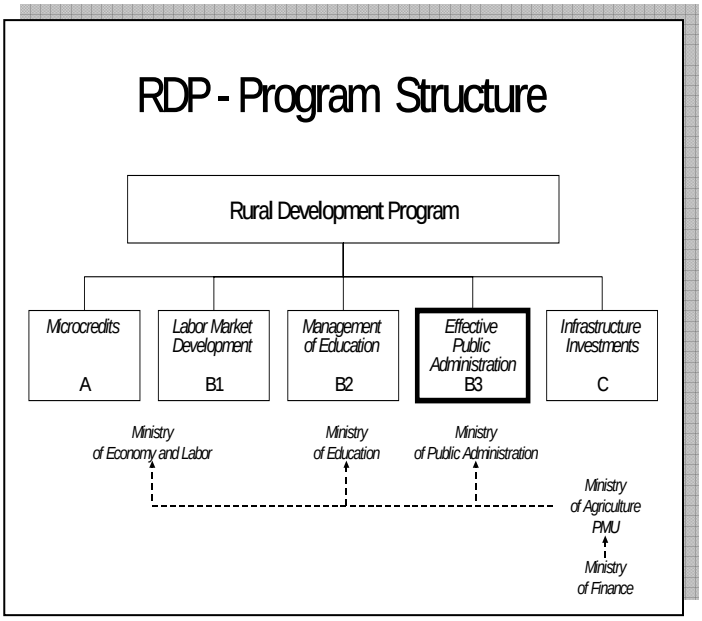


Diagram 1: RDP Program Structure

The Local Government Administration Component (B-3) aims to increase the level of efficiency and effectiveness in local and regional administration (*project purpose*). Key results and outputs expected at the end of the program include:

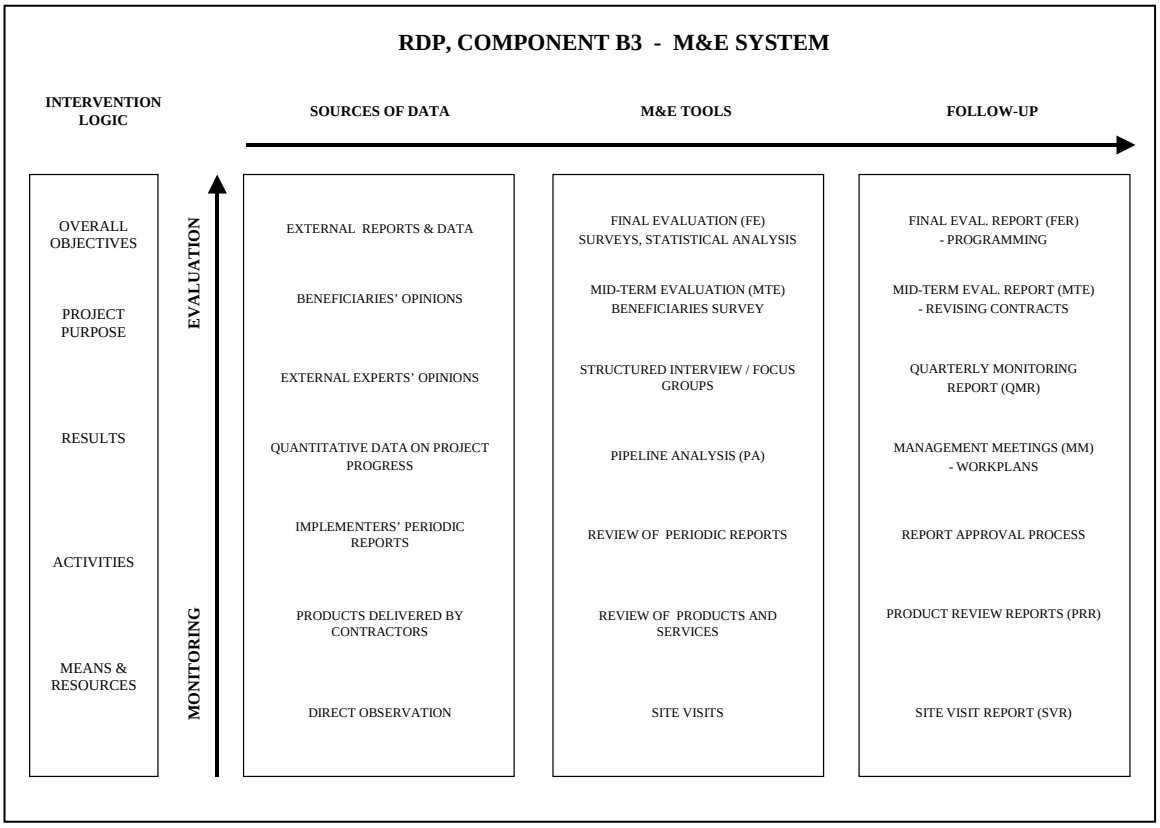
Table 1: Results and Key Outputs of the Rural Development project in Poland

Results	Key Outputs
1. Participating LG units have resources to use external management support	Providing massive management training to over 4000 LG officials of 600 LG units, using modern education methodology (group-based training, individual mentoring for groups, distance learning tools, project development focus)
2. LG units have easy access to effective management tools developed under the program	Designing and pilot testing (33 LG units) a management tool to diagnose, plan and implement institutional development in LG offices ("IDP methodology") Creating a database of best practices in public administration management
3. LG units are willing to invest time and money to improve management	Identifying legal deficiencies constraining effective management and suggesting appropriate revisions to the legal framework Strengthening capacity and institutional cooperation between the Ministry and LG Associations Creating a basis for a performance benchmarking system in Poland Promoting ethical standards in public administration at local and regional levels

3.2. Description of the M&E system created under the LG administration component of RDP

A Logical Framework Matrix constitutes a central element of the project management system. It defines project's objectives and describes the approach taken to implement it. The Logical Framework is accompanied and complemented by other monitoring and evaluation tools. A full set of M&E instruments is presented in the diagram below. Main sources of data / information are listed in the first column. They are addressed and utilized in the M&E system via specific tools that are provided in the second column of the diagram. Observations and conclusions are forwarded to the Project Management Team, implementers, sponsors and beneficiaries, as presented in the last column.

Diagram 2: M&E System as applied under the LG Administration Component of RDP



The tools and procedures could be assigned to the monitoring or evaluation function, or, in some cases, to both of them (e.g. the internal Mid-Term Evaluation). M&E instruments are presented in a vertical order. Those at the bottom of the list, like Site Visits and Product Reviews are considered as purely monitoring. The higher the position on the list the more evaluative character of the instrument.

Through intense site visits, including comprehensive technical product reviews and careful analysis of periodic reports, the Project Team develops its opinion on the quality and timeliness of services provided by individual implementers. These findings are verified in a partner dialog with contractors and project beneficiaries. Final opinions, suggestions, and recommendations are forwarded to the implementers via Site Visit Reports (SVR), Product

Review Reports (PRR) and at the management meetings. Eventually, this process leads to approving implementers' periodic reports and transferring payments to their accounts.

Implementers submit quantitative information on monthly or quarterly basis (pipeline data). It allows for calculating project monitoring indicators and assessing the dynamics of project activities (Pipeline Analysis).

In the Quarterly Monitoring Report (QMR), operational data is aggregated, summarized and converted into more general opinions on the project progress towards its objectives (result indicators). Thus, the QMR links monitoring and evaluation aspects. Internal mid-term and final evaluations complement the M&E system. The Project Team's conclusions are reconsidered in the strategic context and in the background of external expert and project beneficiaries' opinions. Finally, recommendations concerning necessary revisions to the implementation approach are formulated.

3.3. Monitoring and Evaluation

Monitoring is focused on daily management issues. The typical questions are: "How many?" "When?" "How?" "For how much?" By monitoring, the aim is to assess whether activities are implemented effectively and efficiently. Evaluation addresses strategic questions: "So what?"(impact and sustainability) and "Why?" (Relevancy). Here the analysis is getting deeper and seeks for actual cause-results relationships and eventual implications of the observed situations. It perceives the program not as a series of peace-meal activities but seeks for "big picture" conclusions.

As explained above, "monitoring" usually means a system. Data should be collected and analyzed more or less frequently, according to a predefine timetable (Performance Measurement Plan). It requires regularity and continuity with regard to the type of data being gathered and methodology used to analyze it. Evaluation differs from this description. Stakeholders have significant flexibility in specifying, which aspects of the program should be assessed, when and how.

Monitoring is one of the components of the modern project management. First of all, it is expected to generate useful information for the project manager: Where are bottlenecks? How are we doing towards our objectives? Are expenses under control? It can be said that utility is the primary feature of properly organized monitoring system. Evaluation serves different audiences, like sponsors, assistance recipients and a wider public, who are potentially interested in results of the investment made. They expect an objective response to the very basic questions: Are the goals achieved? Are the results sustainable? The clearer and better-justified are evaluation responses, the more added-value is found in the assessment. Attention is put on the transparency of the evaluator's approach and his ability to reveal cause-effect relationships between the subsequent layers of analysis.

Table 3: Monitoring and Evaluation

MONITORING & EVALUATION – COMPARATIVE CHARACTERISTICS		
Characteristics	**Evaluation**	**Monitoring**
Subject:	usually focused on strategic aspects	addresses operational management issues
Character:	incidental, flexible subject & methods	continuous, regular, systematic
Primary client:	stakeholders and external audience	program management
Approach:	objectivity, transparency	utility
Methodology:	rigorous research methodologies, sophisticated tools	rapid appraisal methods
Primary focus:	focus on relevancy, outcomes, impact and sustainability	focus on operational efficiency and effectiveness
Objectives:	to check outcomes / impact, verify developmental hypothesis	to identify and resolve implementation problems
	to document successes and lessons learned	to assess progress towards objectives

Monitoring refers to a pre-defined program strategic framework that guides implementation. It is expected to generate timely information on operational efficiency and effectiveness. To fulfill these needs, monitoring utilizes “rapid assessment methods”, which provide fast feedback and are not very expensive.

Evaluation, to produce objective and exact information, uses more scrupulous research methodologies, like representative surveys and comprehensive quantitative analyzes. Review of program outputs, outcomes and impact is conducted in the background of well-recognized trends in the surrounding environment. On this basis, the evaluator judges whether the program developmental hypothesis was optimal in the given circumstances.

Along with differences, important links and similarities between monitoring and evaluation are usually found. Comprehensive approach to monitoring includes on-going review of progress towards results and outcomes, as well as, gathering data for measuring impact. The project team can use some of the evaluation tools to develop internal assessment of selected strategic aspects of the program. Sometimes a logical framework, developed in the programming phase, is out of date when the program is actually implemented. In such a case, project team needs to reconsider, revise and / or complement original assumptions and program' approach.

Examples of linkages between monitoring and evaluation are the following:

- Both monitoring and evaluation refer to the same logical framework that organizes the program as a whole. The monitoring system utilizes some of the result, outcome and impact indicators to observe the program progress towards its final objectives. In exchange, it tests indicators' formulas and verifies data sources. A well organized monitoring system creates a solid base for the proper design of final evaluation.
- Evaluation, even if expected at the end of a program, influences its current implementation. Inevitable assessment by an independent, external expert puts significant pressure on the project management team and contractors.

Consequently, they act more diligently and see their operational-level activities in the strategic context.

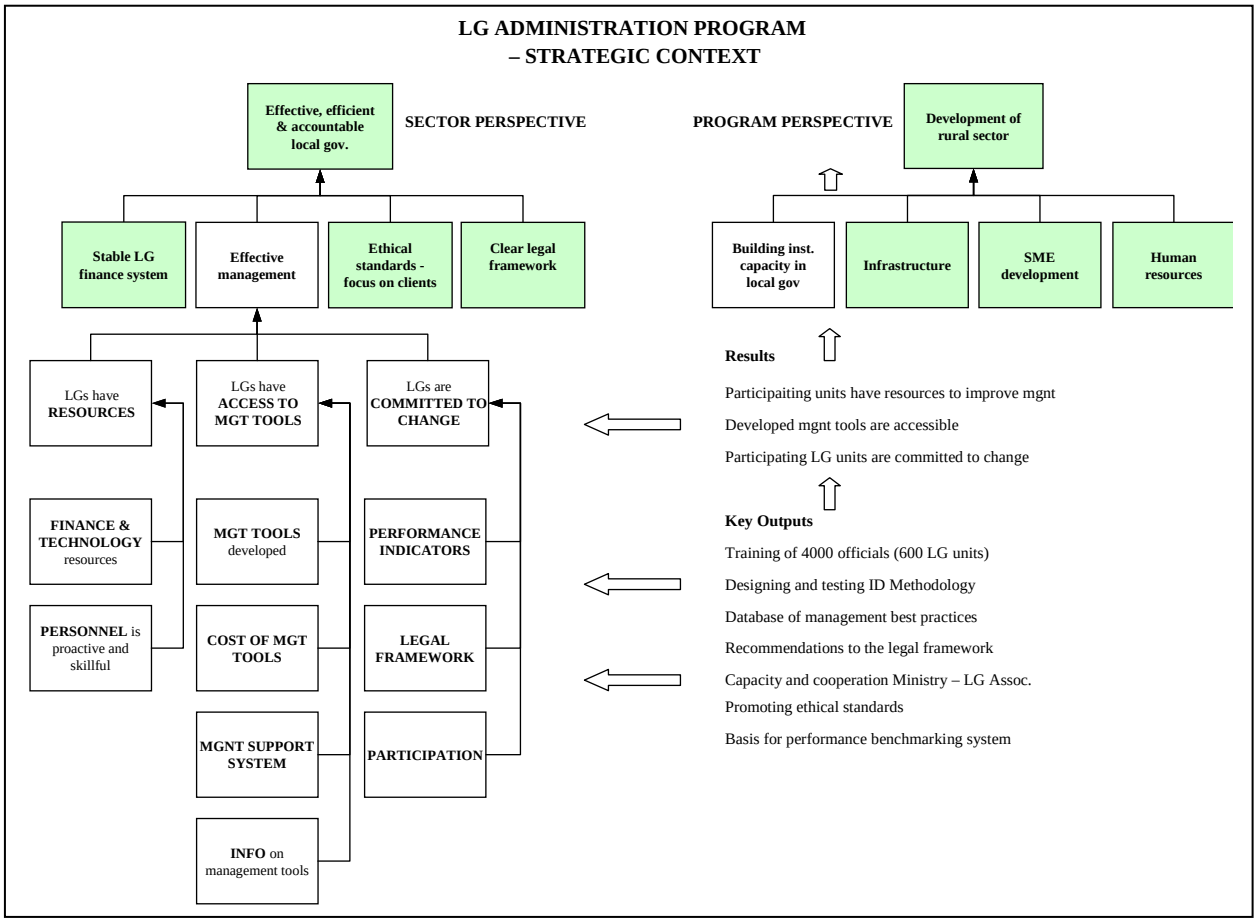
- Sometimes monitoring faces important implementation issues that can't be properly explained by simplified research methodologies and within limited time and budget resources. A profound review of some of these issues could be contracted out to external experts, for instance by including them into a SOW for a mid-term evaluation.

3.4. Strategic context for evaluation: program versus sector perspectives

Explanation of inter-relationships between intervention logic of a program and a strategic development structure of a respective sector is usually considered as straightforward and obvious. The recommended approach for identifying key problems hampering the sector development and exploring logical causes effects linkages between identified issues. A resultant diagram known as a "problem tree" serves as a basis to select a strategic approach for a program (intervention logic) and draft a relevant Logical Framework. In such an approach, the program is closely related to the respective sector strategy or simply duplicates selected parts of it. Program achievements and related changes in the sector could be measured under one evaluation research and against the same set of impact indicators. In the case of the Rural Development Program, being a multi-sectoral program proves that the actual situation could be more complicated.

First issue refers to the multi-sector character of complex structural undertakings. Program logic and activities are subordinated to specific objectives in a priority sector. At the same time, individual components of the program can refer to a number of other areas which contribute to the ultimate goal, but simultaneously have their own logic and development structures as is the case of this project. As a component of RDP, it contributes to the objective phrased as "development of the rural sector in Poland". At the same time, it has a role in the context of the Local Government Development Strategy. While RDP is coordinated by the Ministry of Agriculture, this project is implemented by the Ministry of Public Administration (MoPA). Of course MoPA is primarily concerned with strengthening the management capacity of central and local government administration. In the end, the program has two important dimensions. Both should be taken into account at each subsequent phase of program planning, implementation and evaluation. The Log Frame concept put more attention to the vertical "intervention logic". The program is deemed as successful when inputs produce outputs; outputs create results, which subsequently convert into a wider impact on the targeted priority sector. Using this logic, the final evaluation of the LG Administration Component should check whether its activities caused improvement in rural areas. But there is also a horizontal dimension, where program achievements could be interpreted in terms of their impact on particular elements of the Local Government Development Strategy. (See Diagram 3)

Diagram 2: LG Administration Program – Strategic Context



Another aspect worth consideration refers to the "developmental hypothesis", which sets a basis for a program. To simplify the situation, let's imagine that the concerned program is directly related to only one sector. Instead of developing rural areas, the aim is to improve management in the local government sector. A logical framework for relevant sector strategy is presented on the left side of the Diagram 3. It assumes that in order to improve management effectiveness of LG's units, three major conditions must be met: (1) There are effective management tools easily available to interested LG units, (2) Local Governments have human and technological resources to adapt these tools to their specific local conditions, and (3) Local authorities are committed to improve management. Each of these strategic objectives could be further disaggregated into operational objectives like "LGs' personnel is proactive and skillful", "Management tools are documented and ready for replication", "Law stimulates management improvements", and so on. Having a strategic framework allows a set of indicators to monitor changes in the sector to be developed.

In the planning phase, a critical decision is made concerning selection of operational objectives to be addressed by the program. One could imagine that the most effective approach would be to focus resources on one or two elements of the system which are the weakest. Somebody else would vote for spreading resources among bigger number of objectives to assure small but simultaneous improvement in all important aspects. Since the availability of historic data is limited, it is difficult to estimate a correlation between changes of individual elements and a resultant improvement at the level of ultimate sector objective. The choice is usually more or less arbitral but has got a tremendous impact on the final results of the program. Evaluating such a very strategic aspect of program design is too complicated. Methodologically, it would make

sense to compare program achievements with estimated potential results of applying alternative strategies, but technically this task seems very difficult if not impossible.

4. General Guiding Principles and Approaches Linked to the M&E system

4.1. Managing for Results

The outcome monitoring is the major emphasis of any M&E activities. There is a need for a continual and systematic collection and analysis of data to measure the performance of interventions towards the achievement of the defined outcomes of the project. It is not time-bounded activity; outcome monitoring must be periodic so that change can be ascertained. Project components will accumulate information on progress against the target outcome, which will then be periodically compared against the planned goals or objectives. This will be carried out by tracking the outputs of each of the project components and measure their contributions towards the achievement of target outcomes by assessing the change from baseline conditions. Relevance of the interventions will have to be assessed periodically. In order to conduct effective outcome monitoring, the Project will need to establish baseline data, select outcome indicators of performance, and design mechanisms that include planned actions such as filed visits, stakeholders meetings and systematic analysis or reports.

Outcome monitoring is not the same as implementation monitoring. However, it is expected that the project will still monitor the implementation of activities such as collection of inputs, activities, and immediate outputs and systematically report this to provide information on administrative, implementation and management issues that will have an impact on the achievement of desired results. This monitoring should be planned and integrated with outcome monitoring to avoid duplication and to lower transaction cost latter.

4.2. Evidence based

The objective of an outcome evaluation is to assess and validate what results were achieved, how and why they were or were not achieved. Periodic and in-depth assessment should be undertaken to obtain evidence of the actual impact of the project strategies focusing on facilitating and increasing trade. The assessment should be done cooperatively among the various implementing partners such as the donor and the government. The assessment may also look at the partnership strategies purposely to establish impact working with such partners in formats, research and evaluation activities and most significant change stories.

4.3. Analysis, learning and accountability

In order to maximize the impact of any bankable project, it is also critical that effective learning process and analysis are nurtured so that innovations can be shared and applied. The results of both the outcome monitoring and outcome evaluations will provide understanding of why the impacts or results are not taking place as initially planned in the project document. The analysis will help improve the implementation process and overall project strategy. This framework is also important to fulfill its responsibility for being accountable to stakeholders for project expenditures, activities, outcome and impacts.

Reflecting the critical role of analysis, learning and accountability in monitoring and evaluation, the framework allows stakeholders to understand what changes are needed to

improve results and performance; identify lessons learned for future projects and programs, and establish the success of the implementation – i.e. assess whether project activities should be expanded. The M&E system needs to provide performance and impact information to stakeholders to inform project management decision making and enable stakeholders to: assess progress against schedules and targets; allocate the necessary resources and funds for effective implementation; compare use of inputs and expenditure against resource schedules and budgets; assess the quality of implementation. All the implementing agencies should be involved in planning and review of the M&E system, as well as analysis of the effectiveness of approaches.

4.4. Simplicity

This principle underpins the project M&E System is simply constructed yet capable of producing detailed information. It is designed to track results and record activities implemented using select limited set of Key Performance Indicators (KPIs). With the view to obtain consistency in the data management, it is essential that indicators and data collection methods be simple and clear, and the number of indicators to be collected to be kept to an absolute minimum. It is much better to have complete and accurate data on a small number of useful measures than to have a comprehensive set of measures for which the integrity and completeness of the data is uncertain.

Reflecting the simplicity principle, the framework consists of three key elements: tracking inputs and outputs of project activities; organizing regular discussions with key stakeholders on progress and problems with implementation; and periodical review on critical performance questions as the basis for the annual plan.

As required, the monitoring and evaluation framework may expand and grow in complexity to reflect changing needs and as insights for improvement are gained from experience.

4.5. Ethics

It is always recommended that monitoring and evaluation of project activities should be designed to comply with a clear code of ethics. In brief, a code of ethics requires:

- Systematic, data-based inquiry
- Competence of evaluators
- Integrity and honesty
- Respect for the security, dignity and self-worth of target groups, clients and other stakeholders
- Careful consideration of the potential risks or harm to the client, target groups or staff of the project
- Articulation and consideration of the diversity of interests and values that may be related to the public welfare

Moreover, the implementing partners and staff should be trained on the Do No Harm (DNH) analysis as part of their annual planning and M&E work. This will include a more detailed examination of how specific activities will engage (or are engaging) the communities and the possible (or actual) positive and negative impacts these may have.

5. Components of the M&E framework

The M&E framework provides specific guidance for the implementation of the M&E System through a delineation of activities, methods, indicators, timing and responsibilities. It is better to be linked to specific procedures within the project's quality assurance system. The M&E framework and the procedures are usually intended to serve as working document that is expected to be updated annually in the project annual plan to reflect changes in the project's scope and activity based on the lessons learned during the implementation.

The framework is divided into 5 components: a.) Review Information Needs of Major Stakeholders and Responsibilities; b.) Plan for Data Gathering, Analysis and Evidence based Reporting; c.) Plan for Milestone Review and Critical Reflection Events and Processes; d.) Plan for Quality Communication and Reporting; e.) Plan for the Required Resources and Capacities.

5.1. Review Information Needs of Major Stakeholders and Responsibilities.

This section aims to assess the information needs, interests and decision making responsibilities of key project stakeholders-the intended users of information. This component will help provide key stakeholders the information they need to make good decision about the project based on the established M&E System (table 2).

5.2. Plan for Data Gathering, Analysis and Evidence-based Reporting

M&E is only useful if it results in improved decision-making. This is the underlying value of the results-based approach to M&E and requires that data to be gathered are transformed into information and knowledge. Collection of trade facilitation data related information is crucial to inform project implementers and decision makers if there is a need to adjust on strategies that will address constraints to trade's expansion.

This component will determine how to gather, organize, analyze and report on data. This is, in a sense, the heart of the M&E System. The logframe indicators will be linked with the data gathering forms/tools and then making sure those forms/tools link with the evidence based reporting format. Tools and forms will help ensure that each Key Performance Indicator will be gathered in a systematic way.

The entity or organization in charge of the M&E system should coordinate or work closely with the implementing and/or financing agencies on establishing the baseline data for the outcome indicators. Once the baseline has been gathered, it will serve as a guide to all implementing partners for periodic reports. In selecting information gathering methods, due consideration will be given to the cost, reliability of data, skill needed, ability to quantify results and the richness of information generated. This will also require some capacity building for those responsible for collecting, analyzing and reporting evidence based data.

5.3. Plan for Milestone Review and Critical Reflection Events and Processes

In this component systematic planning time for reflection and analysis will help ensure that data are transformed into valuable knowledge. By doing this, project management decisions will likely build on the lessons learned as the project progresses. Likewise, M&E working group can plan routine reflection events in order to validate project information coming from observations, monitoring data and project visits; analyze the findings; and then use these findings to inform project decision-making.

Critical reflection events should be held frequently during the project implementation. Regular project review meetings maybe held monthly, quarterly, semi-annually or as deemed necessary by the project. Periodic events maybe scheduled, such as a learning review following a major lessons-learned workshop following a project evaluation. Formal critical reflection and milestone review can occur at meetings of the Project Management Unit or Senior Management Group where a decision can be made to proceed or not or scale up the project.

5.4. Plan for Quality Communication and Reporting

In this aspect of M&E it is important to think about when information is needed to make critical management decisions with partners and key project stakeholders. Communicating M&E findings is very important. Primarily, there are two fundamental reasons for quality communication and reporting: 1.) for accountability purposes, and 2.) to maximize impact by sharing information on project successes and shortcomings if there are any.

For primary stakeholders, they have an interest and right to know how the project is progressing and provide them with feedback to ensure the accuracy of the results. For most donors, it is important to account for the investment in project inputs, progress toward goals and contribution to impacting trade as well as to understand the challenges faced to make good decisions. Communication and reporting is also a key element of the 'managing for impact' or results-based approach. In particular M&E findings generate knowledge of what works, what doesn't and why under certain conditions which needs to be recorded and shared through formal and informal means to maximize its impact.

Since M&E information is very important to inform project management decision, creating an M&E Calendar will help ensure that information is available at the time required by those who need it to inform management decision. The timely provision of information will enhance the likelihood that it will be used. Further, an M&E Calendar establishes critical deadlines for reporting.

5.5. Plan for the Resources and Capacities Required

The key staff and partners with M&E responsibilities will be ensured to have the knowledge, skills, tools and support to carry out their respective tasks. A well functioning M&E System requires human resources, training as well as materials and financial resources.

A managing entity will lead the orientation on the M&E Plan/System to ensure that Implementing partners are familiar and have the necessary skills on how to implement the M&E plan so they can effectively use the system to record, store and analyze data as well as produce the necessary reports to inform decision making.

6. Scope of M&E, project performance measurement and information needs

The scope of M&E activities is informed by the project strategy as documented in the Project Design Document (PDD) and further defined in the Work Plan (to work on by managing and implementing agencies). The changing context and new understanding gained from experience demands that the project strategy be adapted from time to time to maximize the impact on trade.

6.1. Project strategy

In determining the scope of the M&E framework, the first step was to review the logical framework (logframe) incorporating outputs and activities defined in the work plan and cost schedule of the Project Design Document. In addition, the LogFrame provides a single project description against which to monitor progress and assess impacts and services delivered. It is also reflected in the detailed activity schedule, resource schedule and cost schedule to better manage project implementation and monitor project performance.

6.2. Annual plan

Translating a project strategy as outlined in the LogFrame into an annual plan that is clear to the staff of Managing and Implementing agencies and partner organizations transforms ideas into action. Accordingly, activities listed in the Work Plan *(to work on by Managing and Implementing partners)* are included in the M&E system. The Project Management Unit will periodically review the project LogFrame and Work Plan in close consultation with primary stakeholders to monitor changes in the planned activities.

6.3. Activity, output and outcome indicators

Measuring the effectiveness and efficiency of bankable project to improve trade is a complex task. Many economic policies and other factors also influence trade outcomes. Nonetheless the M&E system has to provide a reliable means to measure the performance of the project in delivering outputs, producing outcomes and having an impact on trade in the given country.

The activities under each component will have to be outlined in the work plan. This will allow the project some flexibility to modify, adapt or revise activities based on the changing context and lessons learned to be responsive to changing needs as well as optimize the allocation of resources to maximize project results and impact. In this respect, indicators of project activities and outputs are detailed on an annual basis within the overarching project design.

The cause-effect/ means-end relationship of project activities, outputs and outcomes enables all the data collected for activities under a specific output to be collated to monitor progress toward achieving that particular output. Similarly the results under each output can also be collated to monitor progress toward achieving a particular project outcome, expressed a component objective. This hierarchical linkage also extends to collating data from project components to assess the contribution of the project to its stated goal and purpose. The indicators of project activities, outputs and outcomes are detailed in the Work plan and M&E framework.

- Key performance indicators (KPIs)

Key performance indicators should be identified to enable management to focus on “big picture issues” and monitor achievement of the project objectives. The KPIs provide the basic accountability information for the project detailing what the project has achieved at any point in time. It should be noted that the KPIs are largely compound indicators or indices consisting of a number of measures to assess the performance of the project.

Particular consideration should be given to making the KPIs attainable and realistic by ensuring that they reflect a more pragmatic and achievable target. Below are the key milestone outputs that can be the basis in the formulation of the project’s KPIs.

- The Outcome Indicators

Project Goal: Improved trade flows through the reduction of trade costs

Project Purpose: To provide trade operators with better infrastructure related to trade operations

Strategic Objectives:

1. Reduce trade costs
2. Increase trade flows
3. Increase the competitiveness of the country and consequently private investments in selected activities

6.4. Information gathering

The project will gather, where possible, information on the outcomes and impacts primarily through Most Significant Change reports. Information from these reports may be useful to the scale-up of the project.

- Data collection methods

Based on the output, outcome and impact indicators to be measured and evaluated, consideration should be given to how data is to be collected, specifically:

- moving from data collection to explaining successes and failures, deriving understanding from various issues with stakeholders and making decisions
- The reliability of data collected. In many cases triangulation of data generated from different methods is proposed and validation of the results.
- Existing data gathering systems/tools shall be utilized. Particular consideration should be given to how these systems can be used and strengthened where needed to meet the requirements of stakeholders
- providing precise, scientifically verifiable data to measure the status or change of a specific indicator and rich qualitative information on peoples' experiences and opinions

Having considered the input of stakeholders and assessed existing capacity, a range of data collection methods should be identified in the M&E framework including:

- **Sampling-** random sampling will be employed to assess pupil learning outcomes, quota sampling used for evaluating many key performance indicators.
- **Stakeholder analysis**- identification of stakeholders, their relations, and external factors which may affect the performance of the project
- **Documentation review**- to understand the performance of the activities. Where information gaps exist or there is a contradiction of evidence, other methods of data collection will also be employed such as interviews and questionnaire/ surveys.
- **Case studies**- will be used to document the sequence of events or story of an individual activity to obtain insights into the impact of the project.
- **Interviews**- to gain answers from an individual or small group using a broad series of questions to guide conversations which allow a degree of flexibility in

reframing questions and clarifying issues in order to provide an in-depth understanding of qualitative issues

- **Focus groups**- will be used to generate group discussion on project activities, outputs, outcomes and impacts, particularly in assessing opinions of change, the quality of project services and service providers and identification of areas for improvement
- **Questionnaires/ surveys**- to gain structured data to specific questions from a large number of people to provide data on specific performance questions and indicators
- **Photos**- are a convenient method of recording changes over time and giving an impression of the projects activities which produce tangible physically observable results
- **Direct observation and field visit**- where feasible, direct observation of project performance based on clearly defined criteria. It extends to site visit and system inspections
- **Most significant change**- will be used to identify the most significant changes, whether positive or negative, relating to key objectives which are difficult to quantify such as capacity building

- Data collection, analysis & storage

The M&E framework is structured to provide reports at activity, output and component levels as well as produce data to evaluate the outcome and impact of the project. As such it enables quantitative data to be aggregated to permit analysis at various levels such as school/ divisional/ regional reports to answer performance questions specific to a particular geographic location. Similarly the capability of project M&E systems also enables data to be collated at different levels of the project hierarchy to answer performance questions specific to each component of the project. To this end, the requirements of the project M&E systems, particularly the training database has to be articulated to provide standardized fields and formats. The collation of qualitative data requires special attention to the categorization of raw data, analysis and formulating conclusions to non-standard questions and opinions.

Good record keeping underpins the M&E framework. Stored information serves as a record or organizational memory for new staff members or in verifying progress on past performance. Storing data serves to meet accountability requirements and also inform the project strategy whilst also consider the cost-benefit of having excess information which is poorly used. With respect to collecting and storing data for learning, the focus is on documenting key lessons learned and ensuring the utilization of this knowledge through formal reporting and the project website and informal means such as Communities of Practice.

7. Critical reflection processes and events

Reflecting on principles and purposes of the M&E framework which are managing for results and learning to improve project implementation need critical reflection processes and events. This includes individual and team reflections, team meetings, reflecting with stakeholder groups, using steering committees and documenting lessons learned and actions for improvement.

7.1. Schedules for Critical Reflection Processes and Events

Critical reflection begins at individual level but extends to collaborative inquiry to address differing perspectives by articulating assumptions about practice and understand where assumptions have been made and identify what alternatives are possible. This demands that critical reflection events are systemized into a sequence of learning events.

This structure recognizes the important contribution of stakeholders in providing different perspectives in uncovering new information, limiting biases and constructing a shared understanding of the situation to ensure actions are meaningful, shared and owned by all. At the same time, critical reflection activities also acknowledge the differing levels of willingness and ability in engaging in change-oriented learning processes.

Table 4: Example of Critical reflection schedule

Process or event	Purpose & Description	Whom to Involve	Timing
Ex. Monthly Progress review	Review project progress against targets defined in the Annual Plan, plan of activities for subsequent six months	Project Manager, Deputy Project Manager and Senior Managers	Monthly

7.2. Capturing lessons learned

In order to manage for results, it is necessary to consciously reflect on action and capture the lessons learned to avoid the mistakes of the past and increase successes in the future.

The key elements to be used in recording lessons learned are:

- **LogFrame reference**- a reference to the project output which the lesson learned was derived
- **Theme of the lesson learned-** a brief description of the core innovation or problem encountered
- **Original understanding/ assumption**- a short description of the challenge/ problem and the governing assumption/s
- **Revised understanding**- a brief description of the insight derived
- **Supporting evidence**- at least 3 forms of evidence will be needed to substantiate the finding from a range of different sources to ensure its reliability and validity
- **Prompt for the insight**- a simple description of what triggered the contributors to derive its new understanding (e.g. critical incident, field observation, after action review etc)
- **Contributors**- the people/ stakeholders involved in deriving the lesson learned
- **Author**- the name of the person who recorded the lesson learned

8. Communication, reporting, research and reporting

The M&E system shall employ a range of formal and informal communication and reporting measures including:

- **M&E website**- communicates project activities and achievements to primary stakeholders who have access to the internet.
- **E-mail, letters, facsimile**- regular formal and informal communication to stakeholders on planned and implemented project activities

- **Team meetings**- formal and informal communication within and across project teams on project implementation issues
- **Senior Management Group meetings**
- **Quarterly reports**- detailing progress, financial status, staffing and procurement, with a narrative summary of progress and implementation issues which serves as a progress report to the project management committee.
- **Implementing project partners' reports-** monthly exception reporting detailing the progress of activities on ground and reason why a target has not been achieved and what remedial action has been taken
- **Financial status reports**- statements of expenditure for staffing, procurement and training included in regular reports to stakeholder groups
- **Issues-based reports**- produced by exception whenever a Project issue emerges in the view of either the Managing committee or the Implementing Partners is of sufficient importance that many donors require notification. Issues-based reporting will describe the issue in full, and identify the proposed remedial action, it's likely impact, and the responsibility and timing for implementing it.

Reports and studies to be prepared during the project implementation could be monthly, quarterly, completion, or special reports and studies.

A small research wing can be placed under the M&E Unit to provide technical support to the Managing organization to undertake research studies. Some of these can be outsourced and some can be done jointly by the wing and local experts. Following are some proposed studies.

Mid-term project review

A mid-term project review is suggested after 2-3 years of the start of the project. All major components of the project can be brought under this review exercise. A review team comprised of external and internal experts can be suggested for conducting the review.

Impact evaluation of the project

An impact evaluation study against the project objectives is suggested six months before the end of the first phase of the project. Similar to the above, all major components of the project can be brought under this study. Results of this study would help understanding the impact of the present project and would provide necessary inputs for possible extension of the project. A team comprised of external and internal experts can be suggested for conducting the impact evaluation study.

Conclusions concerning activities to strengthen evaluation capacities in Arab countries

A set of policy recommendations could be summarized in the following:

- Works over introducing a "national" evaluation system, supported by relevant legislative provisions, training and information should be continued. There is a need for an institutional arrangements that stimulate proactive attitudes aiming at systematic applying, not only documenting, of successes and failure lessons.
- Development of a national evaluation system should be seen in the context of building transparent and accountable public administration and civil society.

Initiatives like benchmarking of public services, promoting citizens participation and spreading ethical standards in public administration can magnify eventual impact of the evaluation system.

- There is a need for massive training on monitoring and evaluation issues for project managers, public officials, NGO-s, and media. A step-by-step manual on designing and managing evaluation projects would be much needed to increase the quality and ownership of evaluation reports. To this end EU or other international organizations' handbooks could be translated and adapted to local conditions.
- Efforts to establish and strengthen a national professional association of evaluators should be supported. Such organization could play a major role in setting professional standards and facilitating development of technical skills among M&E specialists.
- There is a need for simplifying very technical language used in evaluation reports. At minimum a requirement for adding short, written in common language summaries could be introduced.
- While evaluation of individual projects is pretty common, much more could be done concerning sector / national level. Structural Funds create a unique opportunity to stimulate strategic approach in managing sector reforms. To monitor structural changes, there is a need to review currently available data sources and develop better ways of cooperation and coordination between data providers, holders and users.
- An incentive mechanism making people learn from previous experience should be build into the system. To achieve this objective, a widely accessible depository of evaluation reports is needed.