Sustainable Project Life Cycle

- Strategic Alignment Identification
- Engage — M&E
- 2. Conceptualisation
- Prepare — M&E
- 3. Planning
- Implement — M&E
- 4. Implementation
- Implement & Monitor — M&E
- 5. Monitoring & Evaluation Learning
- Evaluate & Learn — M&E
- 6. Sustainability (integrated in 1 – 5)
- Handover - Exit

Monitoring & Evaluation Learning Steps

Monitoring

Evaluation

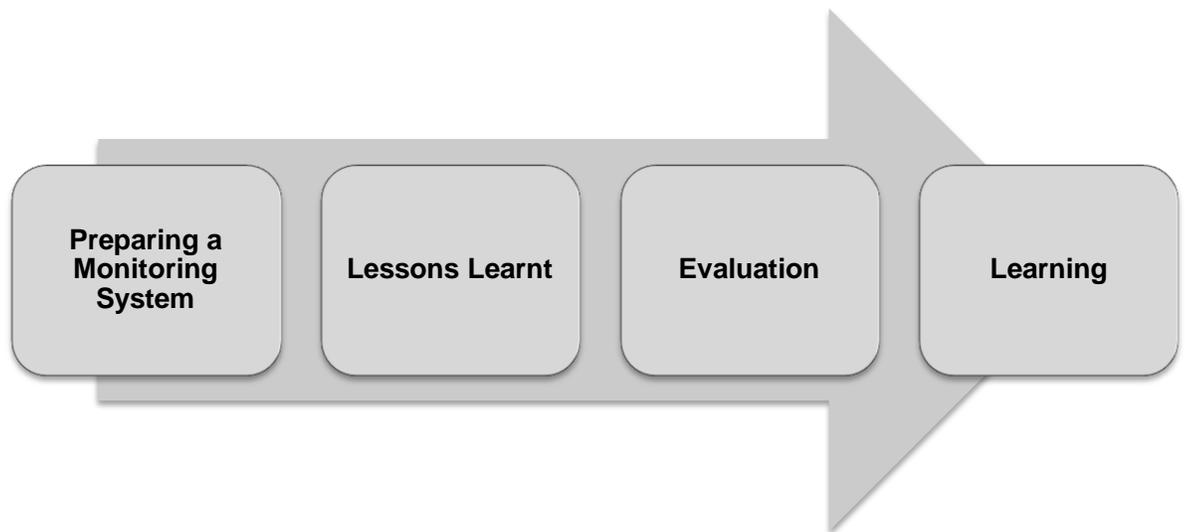## 1. Monitoring & Evaluation Overview

Who is involved	What happens	Decisions made
Key Stakeholders Board of Directors Executive Management, Chief Operations Officer, Programme Managers Project Managers		➢ Project Logical Framework Developed ➢ Monitoring Plan approved ➢ Evaluation Plan approved ➢ Monitoring Management System
Tools and Guidelines		**Where to find**
Monitoring plan template		Tool 19
Data Collection		Tool 3
Report formats		Tool 22
Development of a Terms of Reference		Tool 25
Resources & Learning		
Development Agency Monitoring system		Resource 7

Documents at end of this phase
1. Monitoring plan
2. Evaluation Report
3. Lessons learnt

2. Sustainability Milestones During this Project Life Cycle Phase

[1]Assessment Criteria

	A. Relevant	Completed
	Sustainability	
	The project meets demonstrated and high priority needs	✓ Phase 1&2
1	**Consistent and supported of Government policies and priorities (and relevant sector programmes)**	✓ Phase 1&2
2	**Key stakeholders and beneficiaries are clearly identified, equity and institutional capacity issues analysed and local ownership demonstrated**	✓ Phase 1&2
3	**Problems have been appropriately analysed**	✓ Phase 1&2
4	**Lessons learnt from experience and other projects have been assessed and incorporated in strategic planning**	✓ Phase 1&2

[1] Europe Aid Guidelines 2004 P 35

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┌──────────────┐  ┌──────────────┐  ┌──────────────┐  ┌──────────────┐
│ Preparing a  │  │              │  │              │  │              │
│ Monitoring   │  │Lessons Learnt│  │  Evaluation  │  │   Learning   │──▶
│   System     │  │              │  │              │  │              │
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Preparing a Monitoring Plan

Preparing the Monitoring and Evaluation plan is a critical component of any project plan. Monitoring and Evaluation are often treated as being the same thing, but are in fact, quite different.

Monitoring	Evaluation
Monitoring is the continuous collection and analysis of information used by management and partners to determine progress on the implementation of activities, achievement of objectives and use of resources	➢ Evaluations are formal activities that provide evidence of the achievement of results and institutional performance. ➢ Evaluation is a periodic and systematic assessment, as impartial as possible of the relevance, effectiveness, efficiency, impact and sustainability of an activity in the context of stated objectives.

Monitoring and evaluation allows users to draw causal connections between the intended objectives of the organisation and the projects or programmes designed

to achieve them, the resourcing of the projects and programmes, the actual services or goods delivered and the ultimate impact on the intended beneficiaries. A good monitoring and evaluation system provides evidence for decisions on the use of resources and helps to identify how challenges should be addressed or how successes should be replicated.

Monitoring provides regular feedback on progress in implementation and results and draws attention to problems that need to be corrected. Monitoring reports on actual performance against what was planned or expected. Monitoring therefore addresses such questions as:

- How are the resources being used?
- What progress is being made?
- Are the results of the project's work being used by the target group?
- Are there any important changes in the project's context?
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In general, a monitoring system for a development agency is aimed at assessing routine effectiveness of operations and its ultimate impact on the regional economy.[2]

Evaluation is a periodic assessment of the relevance and performance of the project and should provide feedback to the project team on what it can do differently to accomplish its objectives. It can also be used to assess the project's impact. Evaluation therefore provides credible and useful information to decision making. Evaluations may assess relevance, efficiency, effectiveness, impact and sustainability. Impact evaluations examine whether underlying theories and assumptions were valid, what worked, what did not and why. Evaluations therefore address questions such as:

- Is the project likely to achieve its objectives with its existing approach?
- Has the project made a lasting improvement in the issues it was trying to address?

What monitoring and evaluation have in common is that they are geared towards learning from what you are doing and how you are doing it, by focusing on:

- ➢ Efficiency
- ➢ Effectiveness
- ➢ Impact

Efficiency tells you that the input into the work is appropriate in terms of the output. This could be input in terms of money, time, staff, equipment and so

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[2] Pg.36. Aspire's five-year review (2005-2010)

on. When you run a project and are concerned about its replicability or about up-scaling, then it is very important to get the efficiency element right.

Effectiveness is a measure of the extent to which developments programme or project achieves the specific objectives it set.   If, for example, we set out to improve the qualifications of all the high school teachers in a particular area, did we succeed?

Impact tells you whether or not what you did made a difference to the problem situation you were trying to address.   In other words, was your strategy useful?

Why do monitoring and evaluation?

Monitoring and evaluation enable you to check the "bottom line" namely if we have achieved an impact with the development work: Not "are we making a profit?" but "are we making a difference?" Through monitoring and evaluation, you can:

> ➢ Review progress;
> ➢ Identify problems in planning and/or implementation;
> ➢ Make adjustments so that you are more likely to "make a difference".

In many organisations, "monitoring and evaluation" is something that that is seen as a donor requirement rather than a management tool. Donors are certainly entitled to know whether their money is being properly spent, and whether it is being well spent.   But the primary (most important) use of monitoring and evaluation should be for the organisation or project itself to see how it is doing against objectives, whether it is having an impact, whether it is working efficiently, and to learn how to do it better.

Plans are essential but they are not fixed. If they are not working, or if the circumstances change, then plans need to change too.   Monitoring and evaluation are both tools which help a project or organisation know when plans are not working, and when circumstances have changed.   They give management the information it needs to make decisions about the project or organisation, about changes that are necessary in strategy or plans. Through this, the constants remain the pillars of the strategic framework: the problem analysis, the vision, and the values of the project or organisation.

Monitoring and Evaluation….
- Help identify problems and their causes;
- Suggest possible solutions to problems;
- Raise questions about assumptions and strategy;
- Initiate reflect on where you are going and how you are getting there;
- Provide you information and insight;
- Encourage management to act on the information and insight;
- Increase the likelihood that you will make a positive development difference

Preparing the Monitoring plan

The project monitoring plan is intended to outline how the results and impacts of the project intervention will be measured.

When preparing a monitoring plan, there are several considerations:

- ➢ Who will use the results of monitoring?
- ➢ For what purpose?
- ➢ Will monitoring be primarily used to satisfy accountability requirements?
- ➢ Or will monitoring be used to provide evidence for lesson learning or policy messages?
- ➢ Will the project team collect primary data or make use of secondary sources?
- ➢ Do other stakeholders and funding institutions have certain indicators or approaches to monitoring which are mandatory?

A monitoring plan contains not only indicators, but also plans for monitoring activities, their costs and an indication of who will be responsible for collecting the data.
Indicators are measures that show progress toward the intended result and targets.
Indicators are not new results or targets, but instead are the means of measuring progress toward the intended result.

Indicators should be SMART:

S	Specific	The information captured measures what it is supposed to measure. The data collected clearly and directly relates to the achievement of an objective. If the information collected is specific, it tells the project manager if the change we want to create is happening or not.
M	Measurable	Before starting monitoring, staff must make sure that the information required can be practically collected using measurable indicators.
A	Attributable	Any changes measured must be attributable to the intervention
R	Relevant	Monitoring results must make a contribution to selected priorities (overall programme Goal, etc. as discussed in project identification and strategic alignment phase
T	Time Bound	Monitoring is not open-ended but allows change to be tracked at the desired frequency for a set period.

Completing the monitoring plan template

The indicators used in the monitoring plan must be exactly the same as the indicators entered into the log frame. The monitoring plan should be prepared by the project team with the support of a monitoring and evaluation specialist and with the support of a finance

expert, both of whom will be important in choosing indicators and data collection methods, which can be implemented through budgeted monitoring activities.

- Choose as few indicators as possible in order to satisfy accountability-reporting needs and the need for evidence to support lesson learning and policy influencing.
- If possible choose indicators that measure change in the most direct manner possible and which will yield valid and reliable measures (e.g. the indicator measures what is says it is trying to measure and that the measurement is consistent).
- If a direct measure is not possible methodologically use a proxy measure (explaining the relationship between the indicator and the change being measured).

Institutional Arrangements – for implementation of a Development Agency M&E system[3]

An extensive monitoring and evaluation system requires considerable resources. The extent of the monitoring and evaluation that can take place must align with an allocated budget. If the organisation has a limited budget, then a selected handful of indicators need to be identified. These indicators should still allow appropriate conclusions to be drawn and supply information that would assist in the redirection or strengthening of activities in line with the organisation's overall objectives. For this monitoring and evaluation system, the resources required relate to the indicators selected by the Development organisation and outlined in the indicator monitoring matrix.

Questionnaires have been developed for different stakeholder group to cover several indicators, thus saving time, money and other resources. The administration of electronic options also means that larger samples can be drawn, the data from which can be used to support data collected on a face-to-face basis. However, expertise will be required to administer questionnaires via the various electronic options available (e-mail, social media platforms and cell phones). Support may be required from an external (or internal if budget permits) IT expert.

Some issues or questions that must be considered in establishing the monitoring and evaluation system include:

1. How should monitoring and evaluation fit into the organisation? Where should monitoring and evaluation functions be located, what are the reporting mechanisms and who will be ultimately responsible for monitoring and evaluation?
2. What resources will be required? Resources will include physical resources (IT capabilities, office furniture and other equipment, facilities to travel to localities and to transport field workers, etc.), human resources, time and budget.
3. What capacity and skills will be required? The design, development and application of existing, new or adapted tools, research and analysis, training of field workers and use of the Information Management System are some of the skills that will be needed.
4. In order for any monitoring to take place, a clear and relevant baseline needs to be in place. This work must be done as the immediate first step in implementing the monitoring and evaluation system.
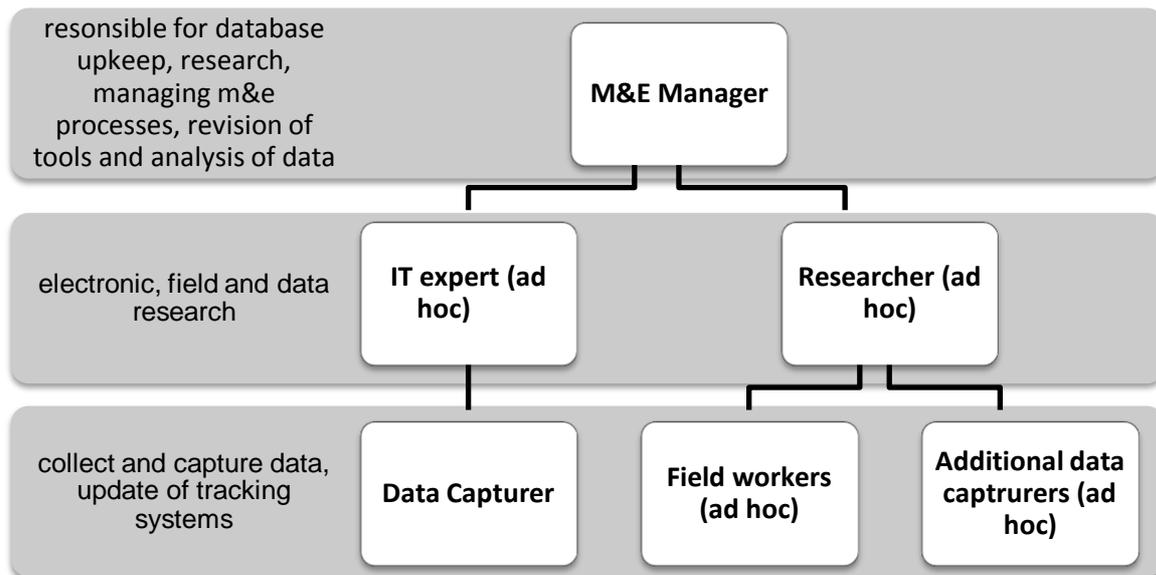
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[3] Extracts from recommendation GIZ 2012 M&E system development

5. Data and information has to be managed. The appropriate hardware and software has to be in place and users have to understand how it works. The management information system should also be user friendly and save time – not add to existing workloads. The data information has to be regularly updated and maintained and should be accessible at any time.

Location and structure of the monitoring and evaluation unit

Consideration could be given to the establishment of   a separate monitoring and evaluation unit within Aspire led by a dedicated permanent staff member and located within the Operations Directorate. This person will be responsible for ensuring that all necessary baseline information is in place and that the database is kept up to date to allow other staff members to extract key data whenever necessary. The monitoring and evaluation manager should have research and data management capabilities. She/he will also be required to manage the periodic capturing of data which can be outsourced or allocated to an internal staff member. The unit should probably comprise of 2 permanent staff members at the outset: 1 manager and 1 assistant who would also be required to capture and manage data.

A possible structure is illustrated below:

resonsible for database upkeep, research, managing m&e processes, revision of tools and analysis of data	**M&E Manager**		
electronic, field and data research	**IT expert (ad hoc)**	**Researcher (ad hoc)**	
collect and capture data, update of tracking systems	**Data Capturer**	**Field workers (ad hoc)**	**Additional data captrurers (ad hoc)**

Resources

Physical resources: An M&E unit will require a full range of physical resources to enable it to operate. Where field workers are used for data collection, questionnaires will have to be printed, clip boards, pens and provision for training made. Transport to localities will also have to be arranged. For the Management Information System (MIS), appropriate hardware and software has to be provided.

Budget: A detailed budget will need be prepared for each of the indicators across the periods specified. Additional budget will have to be made available or ring fenced for external researchers or field workers. Field workers will have to be periodically trained to administer the questionnaires, and provide them with some understanding of the organisation. This

would be on an ad hoc basis depending on when specific data needs to be collected; notably pre-, during and post- interventions and at various intervals as determined by the system. The budget should also include considerations for the possible appointment of permanent staff members to a propose unit,

Time: consideration must be given to the time it will take to conduct the research both for the baseline studies as for the monitoring and evaluation. If existing, internal staff are to be used, a detailed time analysis should be done to ensure that staff is able to carry out the tasks within allocated time frames and current workloads.

Human resources: The monitoring and evaluation system should not add to the workload of project managers. The M&E unit should ensure that when monitoring has to be done, project managers are supplied with the necessary support. This may be in the form of external researchers or alternatively (and more cost effectively) the internal training and coordination of temporary field workers

Capacity and skills: The monitoring and evaluation manager will be required to manage the database, develop and adapt data collection tools, analyse data and information gained from various reports, financial records and economic datasets. The monitoring and evaluation system should periodically be updated and adapted to changing circumstances and new goals and objectives and the monitoring and evaluation unit manager should therefore have experience in developing indicators, a good understanding of how the monitoring and evaluation system works and when it needs to be updated.

It would be beneficial if the monitoring and evaluation unit manager is able to coordinate and conduct stakeholder analyses and is able to assist in the development of a stakeholders' engagement strategy. Knowledge of the tools that can be used for these exercises will be useful.

In line with the monitoring and evaluation system, surveys will have to be undertaken periodically. For this, a group of field workers have to be selected (preferably from within the locality) and trained to carry out the task. The field workers should have a basic understanding of the organisation and its objectives and must know how to administer the questionnaires. The monitoring and evaluation unit manager will need to understand how to conduct the necessary training and how to coordinate the field workers to ensure that questionnaires are administered within a reasonable time frame.

The monitoring and evaluation unit manager must ensure that all necessary baseline information is in place and captured on the Management Information System (MIS). Of prime importance, the monitoring and evaluation unit manager should understand how to use, update and manage the MIS.

The monitoring and evaluation unit assistant / data capturer should also be familiar with the MIS and must understand the basics of data capture and data management as directed by the monitoring and evaluation unit manager.

Baseline information

Before monitoring and evaluation can be carried out on any project, it is vital that baseline information for each indicator is captured on the MIS. All data and information already

available must be captured on the MIS, gaps must be identified and a strategy put in place to gather all relevant information. Subsequent monitoring can then be measured against this baseline information.

Management of data

A Management Information System (MIS) system should be user friendly and should enable data to be available whenever needed. It is very important that the system does not direct work away from the core business of the organisation but that it allows it more flexibility and enables evidence-based decisions to be made. The monitoring and evaluation unit manger must be able to manage this system and to keep it current at all times.

[4]Development and Design of a monitoring and evaluation system (M&E) for economic development agencies – Learning and case study

Designing and setting up monitoring and evaluation (M&E) systems for economic development agencies can present a number of challenges. Economic development agencies, by virtue of their mandate as special purpose vehicles to stimulate local economic development (LED), are organisations which need to respond rapidly to identified opportunities, be innovative and flexible in methods and approach as well as being able to show visible improvement to local economic development.

What should an M&E system do?

In line with the Presidency's guidelines on monitoring and evaluation[5], an M&E system should be aimed at assisting an organisation to evaluate its performance and to identify those factors that are most responsible for contributing to its outcomes. Projects are ultimately monitored to improve the operational performance against strategic objectives.

> ➢ Monitoring of projects should allow for objective analysis of the project's achievements and for the identification of those actions or practices that might need to be changed to either achieve better results or to ensure that resources are spent for optimal results.
> ➢ Evaluation is aimed at assessing the impact of an organisation's work in relation to its broad objective

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[4] Lessons learnt : 2012 and 2014 Development and Review of an M&E system for a South African Economic Development Agency – Vanessa Kruger (2012-2013) & E Gautier (2014) for GIZ

[5] Policy Framework for the Government-wide Monitoring and Evaluation System, Presidency, November 2007

What process was followed to establish an M&E system for an Economic Development Agency?

Many organisations (and particularly economic development agencies) only introduced M&E systems after the organisation has already established other key systems, processes, policy, procedures plans and strategies. The approach to the design of an M&E system will vary across organisations depending on their level of development.

1	Alignment of strategy, plans, policies and approaches	Review of current strategy, impact chain, performance management plans and approaches Emphasis placed on the small town regeneration model
2	Development of a typology of products and services	Synthesis of activities and outputs for classification into broad groups through a reiterative process
3	Strategy review process	Current strategy reviewed against national and regional priorities. Focus on Agriculture, Small Town Regeneration, Heritage, Culture and Tourism Used a logical-framework format
4	Results-Impact Chain development	Reiterative process. Set outs the linkages between activities, outputs, use of output, outcomes (direct benefits), the attribution gap and impact
5	Indicator Development	The final results chain determined the SMART indicators to be developed. Set out in an indicator monitoring matrix and forms the basis of the M&E plan
6	M&E Plan	All activities necessary for the implementation of the system.
7	Management information system (MIS)	To capture all monitoring and evaluation targets, process and data in order to generate reports

Some principles to guide the design of an M&E system

There are a set of generic guiding principles that need to be considered by any organisation aiming to achieve the successful design and implementation of an M&E system. The mandate and modus operandi of economic development agencies (i.e. innovative and rapid responses to presented economic opportunities to test whether the output will have the desired outcome and impact) makes it even more important to carefully consider the guiding principles when embarking on a process to design an M&E system. Amongst these guiding principles are:

- Ensuring organisational ownership;
- Existence of a clearly formulated strategy;
- Formulating realistic indicators;
- Making sure that the M&E systems responds to organisational requirements;
- Having a plan to implement the M&E system;
- Ensuring that collection and analysis of data capacity is in place; and
- Establishing the utility of the M&E system beyond just monitoring and evaluation.

Organisational ownership for M&E by Development Agencies

Development Agencies often don't have an M&E unit or a dedicated M&E staff member. Ownership is of utmost important for an M&E system to function effectively in any organisation. The commitment of the Chief Operations Officer (COO), Programme Managers and Project management during the process is imperative. This, amidst a busy schedule is not always possible and makes it a challenging process to ensure full organisational ownership.

Lessons learnt and recommendations for other economic development agencies wanting to design an M&E system

- Consider nominating and "seconding" one senior person full time to work closely with an external M&E advisor to ensure that the system is appropriate to the organisation and that the organisational culture, values and institutional memories inform the design.

- The organisation itself must take a lead. The set-up of an M&E system cannot be completely outsourced. External advisors can provide technical input but the actual design and content must be led by the organisation itself.

- Clear buy-in at management level is necessary and constant liaising with the person in charge will make sure that the organisation's needs are appropriately reflected in the M&E system.

- Involve people at the right stages of the process. Whereas a lot of the decision-making will ultimately happen at management level, it is important to involve staff and other stakeholders in the process in order to be aware of their thinking, their way of working and their needs. This way, you will invest more time while setting up the system but you will benefit from an improved implementation later as people will feel a shared ownership of the system and will take on roles and responsibilities in the use of it.

- It is important to identify the critical point at which to involve different role players. Don't involve people unnecessarily as this will be waste of their time. Involve people where and when they can add value and participate fully otherwise they may find the process disempowering

- The need for participation cannot be emphasised enough. An effective or useful M&E system should be utility focused i.e. the users (e.g. project managers, partners, beneficiaries, etc.) should be able to find the value in the system. If the key users have not been involved at the different stages in decisions on designs, measures and process the possibility of them finding value in the system is limited.

Clearly formulated strategy to guide the process

The Strategy of the Development Agency needs to guide the development of the M&E system, which in turn, feeds into the strategy review process. Three reiterative processes is recommended:

1. A review and alignment of strategies, policies, plans, approaches, tools, models and systems;
2. The development of a typology of goods and services; and
3. A review of the strategy to respond to current policy imperatives whilst at the same time articulating the strategy in a logical framework format.

The review and alignment of strategies, policies, tools, etc. was the very first step in the design process. Possible objectives, outcomes, outputs, indicators, etc. is extracted from various sources such as the strategy map, performance management systems, models, reports and other internal Development Agency documents. Additionally, national, provincial and regional policies and processes must be taken into consideration. The summary of the document review was used as the basis for the development of the typology of products and services offered by Aspire.

The typology of products and services developed out of the alignment process described above constituted the "structure" of the M&E system performance management system. The development of the typology of projects went through a number of reiterative processes, until broad consensus was reached on the levels and content

The final step in the first phase of the development of the M&E system is to reflect on the current strategy and to re-articulate the strategy to allow for the finalisation of the M&E system. After the review, the system was placed in the logical framework and aligned with the National Treasury Planning Guidelines. This formed the basis of the Results Chain.

Lessons learnt: The importance of having a well–articulated strategy in place prior to the development of an M&E system

- ➢ In order to define and structure an M&E system it is absolutely necessary to have broad based agreement on the answers to be following a defined set of questions such as:

- ➢ What is the main reason for existence of the organisation?

- ➢ What are the goals outside of the organisation's direct control and to which the organisation can only contribute?

- ➢ What are the risks and assumptions at all levels?

- ➢ What will show or how will we know that an objective has been achieved?

- ➢ Who should be benefiting from the interventions?

- ➢ What is it hoped the beneficiaries will gain?

- ➢ To whom are the interventions targeted?

- ➢ What do we want the target group to do differently?

- ➢ What exactly do we want to achieve?

- ➢ What are we going to deliver?

- ➢ What exactly are we doing to do?

- ➢ Agree on a planning framework to articulate your strategy. Don't get stuck on form. The content and logic are much more important. Design your own planning format if you can't find one that works for your organisation – just make sure your process is logical and consistent.

- ➢ Ensure there is a broad-based agreement on the definition of terms. Use external experts and resources for advice and information only. The members of the organisation need to decide and agree collectively on terminology to be used. Keep it consistent across all systems within the organisation.

- ➢ The design and development of an M&E system requires a well-articulated strategic planning document. It is not possible to just "set up" an impact-oriented M&E system as a technical exercise.

- ➢ Screen all strategic goals and/or targets at all operational levels of the agency before developing the M&E system - from LED strategies in the district to performance management systems at agency level that sets the staff's goals and targets. As the process unfolds it should take these goals into consideration and ensure alignment. It is not uncommon to find M&E systems that are not only not aligned to other systems with the organisation, but also set out contradictory targets and indicators.

- ➢ A strategy review with the staff is strongly recommended as it helps to get everyone on board and see the added value of an M&E system.

- ➢ Make your staff see the value that M&E adds to everybody's work as it enables them to prove their impact and to make their work visible. The system must be anchored and owned at management level. However, it is critical that the implementers or users also have a sense of "ownership" of the system to be effective.

An M&E system responsive to organisational requirements

Economic Development Agencies have to prescribe to the local economic development policy priorities and development objectives of the District, Province and National Government. National Government – through National Treasury - has a very specific framework for strategic plan and annual performance plans, as well as a framework for managing performance information. These frameworks are aligned with the government-wide planning and monitoring approach.

After the strategy review process the strategic plan needs to be articulated in the National Treasury format and terminology. However, before and subsequent work on the M&E system requires the articulation of concepts into terminology and logic of results chains.

Development Agencies typically have a number of development partners from which they mobilise resources in order to implement a wide range of different economic interventions. Each of these actors places a number of demands on Agencies in terms of priority focus areas, targets and reporting requirements. It is important to note that each of these partners has specific formats and planning terminology – which again requires the Agency's consideration.

Agencies also have its own internal systems and processes in place which needed to be taken into consideration in the development of the M&E system. It has a formal planning and review process in place which is aligned to the performance

management system. Similarly, there is regular and routine reporting against targets and plans.

Staff, systems and processes need to flexible in order to be able to respond rapidly to opportunities identified and creative ideas that can be piloted and tested by Development Agencies. The challenges are obvious in designing a formally structured M&E system for an organisation such as this. Getting programme staff to adopt the language and structured thinking of results chains is in itself an issue which will require focused attention.

In summary, there are a range of different frameworks and systems existing side-by-side within the organisation which already has a culture - that may not respond positively to what may be perceived as a rigid structure at first. It will therefore be instrumental, going forward, to align these systems further to each other while making efforts to make the M&E system a part of the existing staff routines and processes – and adapt them where necessary. Any newly established M&E system needs some time and effort to be entrenched into an institutional "M&E culture" where monitoring and evaluation becomes a part not only of effective steering but also of organisational learning. A concerted effort will need to be made to allow programme staff to recognise the potential value add of the M&E system. By the same token, time must be allowed for several loops of testing and re-adjusting the system (jointly with staff members) so that the system responds to the information needs of the organisation but also aligns with practical work routines of the staff.

Lessons learnt and issues to consider when making decisions on the nature and format of an M&E system for an economic development agency

- From the outset be very clear as to why you are developing the M&E system, what exactly you want the system to do and what requirements are to be met by the system. The M&E system must be designed in such a way that it is seen to be useful to the organisation as a whole and programme staff. The value it adds to overall operations of the organisation must be obvious. It must make programme staff's lives easier and not merely increase the workload of programme officers.

- It is important to remember that there is no "one-size-fits-all" approach – each agency is different and localised and context-specific answers must be found. "Know your challenges" and "know your strengths" as an agency and ask the right questions. Avoid merely superimposing a system that may work well in one agency on your organisation

- Find an approach that suits your organisation and speaks to your "target audience". If what you best do is innovation – don't come up with a mechanistic system that will restrict you.

- Try to align your system to overarching frameworks, e.g. at national level (outcomes of the South African Government) – as it will facilitate reporting and the documentation of impacts.

- More importantly, ensure that the M&E system supports existing frameworks and that the newly designed M&E system does not create an additional parallel framework to which other systems and frameworks must be adapted, revised, rearticulated, etc. The existing framework should be the starting point from which the M&E system is aligned.

- Similarly, before embarking on designing the system, do some work to clarify the full range of requirements to be met. Identify what your main partners require from you. Find out about the other relevant systems in place and, if necessary, adjust the proposed system/framework accordingly.

- Wherever possible, use what is already in place. The implementation of an M&E system has human and financial resources implications which need to be considered.

Realistic indicators

During project planning and implementation, the logical framework, which forms the basis of the results based monitoring system, was dealt with at great length. The development of a Development Agency M&E system is based on the understanding that strategies can be articulated in a logical framework format which constitutes an important planning tool whilst result chains provide the primary monitoring and evaluation tool.

Result Chains Monitoring and evaluation	Logical framework Planning
Impacts	Overall goal
Direct effect	Project purpose
Use of products or services	
Products or services	Outputs
Activities	Activities
Inputs	Inputs

The figure below is an example of a typical results chain
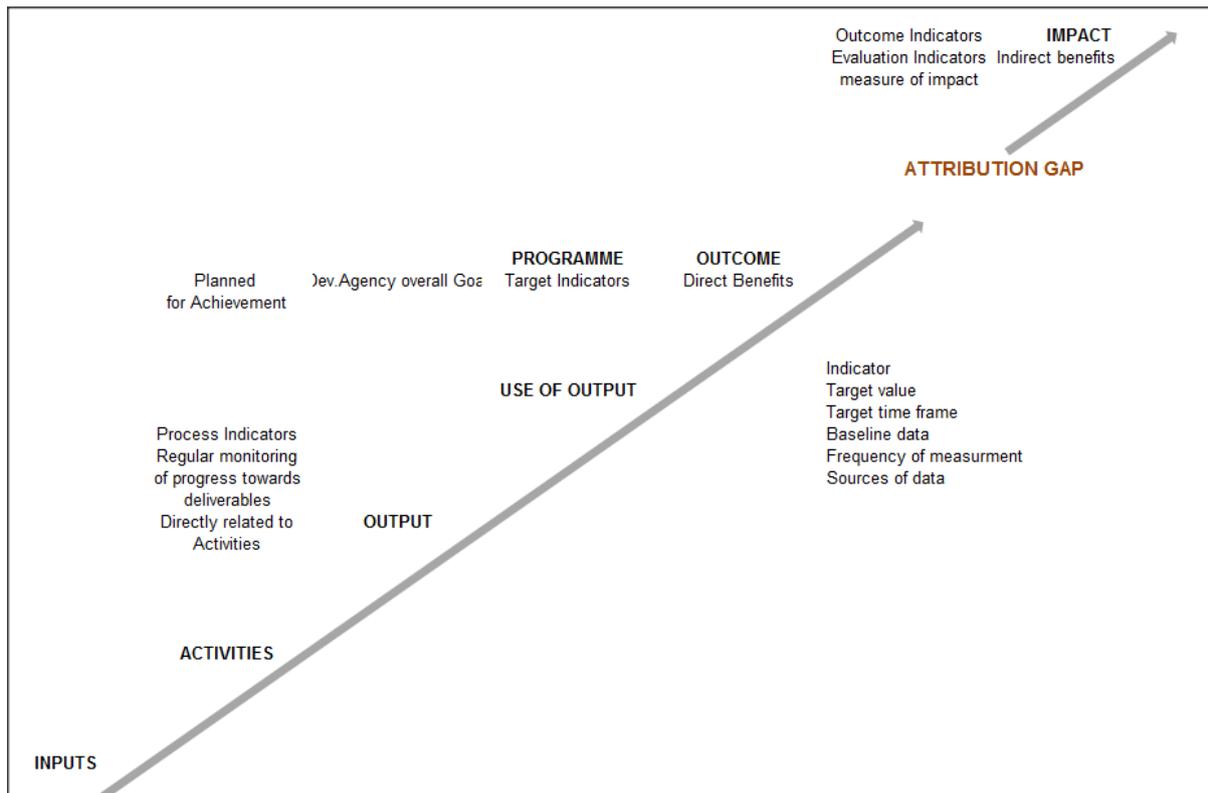
Issues to consider to make a results structure measurable

- Time is needed for the process to be successful. The reasoning for this is twofold: The strategic thinking will involve a constant cycle of creating something, based on certain assumptions, and then revisiting the outcome again and again to test these assumptions. While probably starting at quite an abstract level, you will improve the practicability and applicability of the system constantly during this process.

- Be strategic and decide *what to measure. Don't try and measure everything you do.* Make strategic decision on what should or should not be measured. In the start of the design of the Aspire M&E system, over 600 indicators were formulated. This was clearly unrealistic, cumbersome and completely unmanageable. Through constant re-consideration, discussion and debate on the use and rationale of these indicators it was agreed to reduce the number substantially to 27. This process will probably be further continued and the number of indicators will be further reduced.

- Review and relook at the indicators after the first year of using them and then aim to reduce the number even further to the ones that are really "key". Pick your indicators strategically.

- Define indicators for the "M" of monitoring and the "E" of evaluation – and chose what to measure when. Data for monitoring indicators should be easily obtained and collected on a routine and regular basis. Evaluation indicators normally focus on impact with data being collected once every few years once the impact has had the opportunity to be realised.

- All LED practitioners are aware LED is not an event: it is a process. Interventions

carried out now may only reap benefits a number of years post-intervention. It is important to recognise that evaluation processes may not be possible within the lifespan of a project intervention. Similarly, unplanned consequences are part and parcel of the impacts of a positive sustainable intervention – but often difficult to measure or attribute to any one single intervention. The creation of an enabling physical environment (e.g., repairs to the road network) may appear to have no immediate impact. Measuring the impact over the long term or post project intervention provides the LED practitioner with interesting challenges.

- Certain aspects of local or regional economic development can provide immediate indicators of achievement of objectives, such as

    - Percentage of jobs retained and the number of jobs created over a specific period of time;
    - Number and value of businesses retained and expanded within a locality;
    - Value of new investments into the locality
    - Number of small businesses established and who survive beyond a specific period of time, and so on.

- Economic development agencies may want to consider collecting evaluation data based on surveys that explore key role-player/ stakeholder perception and levels of satisfaction with the perceived changes in their individual socio-economic conditions. In short, are the target group and/or beneficiaries satisfied that the intervention has or may sometime in the future contribute to improve their socio economic conditions?

[6]M&E plan

Result	As per the results chains – given that results chains are linked, data collected can be aggregated
Indicator	Outcome indicators at Agency overall programme level, target indicators at programme level and process indicators at output level (and use of output
Code	Each indicator is coded for the purpose of the MIS system
Description	Provides more detail on the indicator with specific reference to reflecting the "A" and "R" in SMART – is it achievable and relevant
Target Value	Quantitative measure of the indicator – usually a percentage increase or real numbers and have to be set at realistic levels
Time Frames	Period in which the target value has to be achieved
Baseline	Details on where information can be obtained to establish the baseline
Frequency	Sets out how often data must be collected to measure progress

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[6] Results Based Monitoring

	towards the achievement of the result
Responsibility	Information on who is responsible for the collection of data to measure progress towards achieving the result
Source of Data	Stipulates where the data for the measuring of indicators is to be found
Methods	Sets out proposal on how data collection will take place (tools and methods)

Once the result chains had been develop and agreed to, the nest step was to develop a detailed indicator monitoring matrix which constituted the basis of the M&E plan. The indicator monitoring matrix has the following categories

Lessons learnt during setting up of a M&E system

- The development of the results chains, indicators and M&E plan is a reiterative process. Your indicators may seem fine against the result in the impact chain but as information is filled into the indicator monitoring matrix one may realise that collection of data for this indicator may be a project all on its own – requiring resources, capacity and time – all which may be beyond the scope to the organisation. It will then be necessary to revisit the result chains and indicators.

- The indicator monitoring matrix as the basis for the M&E plans allows you to check the Smartness of your indicators.

- In summary, the more difficult it is to set out targets or figure out where you are going to find the information, the more unrealistic your indicator is.

- It is important to take into account the institutional capacity and arrangements while planning the M&E system.

- There must be capacities (time, knowledge) and a budget in place for it to work in the implementation. Roles and responsibilities, as well as M&E routines, must be spelt out. A useful mechanism is to link it to the PMS of the agency.

Data collection and analysis: Way Forward

As a next step in the development of the M&E system for Economic Development Agencies, selected key indicators need to be tested in the field to establish the base line and pilot the data collection tools. This process is still in course and will bring about important lessons that need to be used in revising the established data collection guidelines, and possibly, the M&E framework document itself. The testing of indicators is an important step in the design and setting up of an M&E system.

Beyond just M&E

The foundation for a Management Information System (MIS) needs to developed in conjunction with the M&E system. It will help to steer projects effectively and comply with reporting obligations. It further aims to support strategic, management and budget decisions as well as embed the system in broader decision making processes and provide a platform to communicate results to key stakeholders. The establishment of an MIS, similarly as the M&E system, requires considerable financial resources and strategic support from senior management so enough time and budget should be allocated when considering the set-up of such a system. Once established, it can yield positive results in aligning work streams and enabling enhanced control over project management, human resource management and all other aspects of the organisation's performance.

The role of Evaluations

What is Evaluation?

Evaluation is an assessment of a planned, ongoing or completed intervention to determine its relevance, efficiency, effectiveness, impact and sustainability.

Monitoring and Evaluation is complementary to each other:

Monitoring	Evaluation
Clarifies programme objectives	Analyses why intended results were not achieved
Links activities and their resources to objectives	Assesses specific causal contributions of activities to results
Translates objectives into performance indicators and sets targets	Examines implementation processes
Routinely collects data on these indicators, compares actual results with targets	Explores unintended results
Reports progress to managers and alerts them to problems	Provides lessons, highlights significant accomplishment or program potential, and offers recommendations for improvement

Implementation monitoring elements:

- Description of the problem or situation before the intervention
- Benchmarks for activities and immediate outputs
- Data collection on inputs, activities and immediate outputs
- Systematic reporting on provision of inputs
- Directly linked to a discrete intervention or series of interventions

-   Designed to provide information on administrative, implementation and management issues as opposed to broader development effectiveness issues

Results monitoring elements:

-   Baseline data to describe the problem or situation before the intervention
-   Indicators for outcomes
-   Data collection on outputs and how and whether they contribute towards achievement of outcomes
-   More focus on perceptions of change among stakeholders
-   Systematic reporting with more qualitative and quantitative information
-   Done in conjunction with strategic partners

Different types of evaluation

Self-evaluation:

This involves an organisation or project holding up a mirror to itself and assessing how it is doing, as a way of learning and improving practice. It takes a very self-reflective and honest organisation to do this effectively, but it can be an important learning experience.

Participatory evaluation:

This is a form of internal evaluation. The intention is to involve as many people with a direct stake in the work as possible. This may mean project staff and beneficiaries working together on the evaluation. If an outsider is called in, it is to act as a facilitator of the process, not an evaluator.

Rapid Appraisal:

Rapid Participatory Appraisal: Originally used in rural areas, the same Methodology can, in fact, be applied in most communities. This is a qualitative way of doing evaluations. It is semi-structured and carried out by an interdisciplinary team over a short time. It is used as a starting point for understanding a local situation and is a quick, cheap, useful way to Gather information. It involves the use of secondary data review, direct observation, semi-structured interviews, key informants, group interviews, games, diagrams, maps and calendars. In an evaluation context, it allows one to get valuable input from those who are supposed to be benefiting from the development work. It is flexible and interactive.

External Evaluation

External Evaluation is usually conducted by an outside team and an interactive evaluation is a very active interaction between an outside

evaluator or evaluation team and the organisation or project being evaluated.