



Checking and learning

Impact monitoring and evaluation –
a practical guide

Imprint

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The Association of German Development NGO's, reg. Ass., (VENRO)

is a voluntary association of around 100 German non-governmental organisations (NGOs) most of which operate at national level. Local initiatives are represented by VENRO via the NGO national networks, which are also VENRO members.

The VENRO members are private and church executing agencies of development co-operation, emergency relief and development education, public relations and lobbying activities.

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Foreword

Achieving an optimum effect with limited resources. In principle, this is a goal that all development non-governmental organisations share in their project activities, irrespective of their size, their financial resources or their sector and regional priorities. In practice, of course, things are far more complicated. How does a project have to be conceived and implemented in order to achieve an optimum impact while requiring a minimum financial input? What know-how, resources and instruments are needed, and is it at all possible to measure desired as well as undesirable side-effects? "Are we doing the right thing?" So clearly, good intentions are not enough. These questions are being raised more and more persistently both on the part of politics and, of course, the donors. How well are the NGOs working, and are financial means really being put to optimum use?

As a response to these queries, but also on account of experience they have gathered and insights they have gained themselves, the call for "more professionalism" has become one of the key challenges development NGOs are facing. Some of the major aid agencies have already set up their own evaluation departments, while workshops addressing this topic are meeting with considerable approval. It was at one of these workshops, which was run by the Karl Kübel Foundation in June 1998, that the idea for this booklet emerged. VENRO was requested to compile a reference book providing concise, practice-oriented advice, above all for medium-sized and smaller organisations in Germany. All those involved in the venture are fully aware that the recommendations contained in the booklet can only address part of the learning process and the development of an optimum mode of project planning, participation of the project partners, project steering, impact monitoring and evaluation. So "Checking and learning" is intended neither as a patent remedy nor as the ideal solution. Rather, it aims to provide the basis for a further debate on this topic. Comments and suggestions on the booklet are explicitly welcomed.

I would like to express my thanks to the author of the booklet, Dr. Eberhard Gohl, for his readiness to compile his wide range of experience in "appetising, easily digestible titbits". Thanks is also owed to the Kübel Foundation, which has demonstrated a special commitment to the entire discussion process regarding "impact monitoring and evaluation" of development project activities by running several workshops on the topic. The funding of the booklet was enabled via the estate of the Bensheimer Kreis, which explicitly made its remaining assets available to this project.

Dr. Reinhard Hermle

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He played a crucial role in establishing finance and impact monitoring at Brot für die Welt.

Together with Dorsi Germann, he published a richly illustrated manual on the topic of "Participatory Impact Monitoring" for an impact-oriented steering of projects with strong grassroots involvement as a supplement and alternative to goal-oriented project planning.

Introduction

The manual "Checking and learning" is aimed at enabling project specialists of NGOs who are involved in development project support to establish the impacts the projects have that they are supporting. To this end, descriptions are provided of how continuous monitoring of results in the shape of impact monitoring and evaluation can be organised. This manual was originally designed for German NGOs, but given the increasing number of requests for an English version, VENRO commissioned a translation.

The course for efficient impact monitoring and a fruitful evaluation of a project is already set before the latter starts. Monitoring and evaluating has to be planned and integrated into the implementation of the project. In order to obtain meaningful statements on impacts with a relatively small effort, crucial aspects already have to be agreed on and implemented when the project starts. To prevent an evaluation from being perceived (and implemented) as a penance, an appropriate framework has to be agreed on right from the onset.

This is why, ideally, a manual on establishing impacts also ought to contain the steps project development, planning documentation, project appraisal, project agreement, back-up measures and reporting. However, a comprehensive account of project management in the field of development would go beyond the scope of a manual.

Focusing this manual on impact monitoring and evaluation, both of which is only carried out during or towards the end of the project cycle, only allows for brief references to the preceding steps of handling the project. In the following, we will try to cover the aspect of planning impact monitoring and evaluation without giving an in-depth account of the entire planned project processing by a development NGO, let alone of the topic of project planning on the part of the national partner.

This manual gives the reader a notion of the contexts and specialist terminology in a readily comprehensible language; to this end, one case example is consistently referred to. For teaching purposes, sets for transparencies or prints referring to important contexts and terms are provided at the end of each chapter.

1. What needs clarifying ahead of monitoring of results

1.1 The project's actors

Irrespective of all attempts to reach a consensus and notwithstanding the honest intention to maintain a participatory approach, we have to be aware of the fact that it is perfectly normal for different actors in one and the same development project to have different interests. The three main groups in a development project are:

- the grassroots organisation
- the development organisation
- the funding agency

Grassroots organisation refers to the organisational framework of the project's addressees: e.g. the village community, the parish community, the women's group. They are to benefit from the project. They are to reflect that the project has been a success, and the project is expected to have an impact to their advantage. The grassroots organisation itself is subdivided, e.g. into:

- women and men
- old and young people
- poor and rich people

and several other possible subgroups. These ramifications are not always important, but they may attain significance if we note that the project that is being supported does not have one and the same effect on everyone involved, or if conflicts are observed in the grassroots organisation. In our contexts, distinguishing between different situations women and men are living in is almost always rather important.

The **development organisation** is the unit responsible for the project at local level: a national NGO, a church, a welfare organisation; it almost always operates with staff working in an honorary capacity, but often also with salaried staff. They are not supposed to be the project's immediate beneficiaries, but help the project's addressees benefit from it. Sometimes, however, the project may be of advantage to them indirectly, for example, if knowledge is acquired in the development organisation or if their staff are provided with economic security.

Of course, the development organisation is subdivided as well, for example into:

- the organisational hierarchy (manager, specialist staff, assistants)
- women and men
- social and ethnic origin

In analogy to what has been said above, these distinctions can become important in assessing the impact of projects and in possible conflict situations.

Above all with regard to the expected project impact, it makes sense to carefully distinguish between the grassroots and the development organisations. Everyone involved

in the project ought to be aware of the fact that, as a rule, the members of the grassroots organisation – as opposed to those of the development organisation – are the addressees, the “target group”, of the project.

No rule without an exception:

1. Some projects may be aimed specially at improving the efficiency of the development organisation; but in this case, simultaneous indirect effects are expected to the benefit of the grassroots organisation.
2. Many projects are directly implemented by a small grassroots organisation. In this case, what has been said about development organisations does not apply, or it only holds for individual service staff within the grassroots organisation.
3. Some grassroots organisations are very large, e.g. membership organisations such as churches, co-operatives or trade unions, which in this case also form umbrella organisations or federations. As a rule, parts of the grassroots organisation (e.g. the development department) will perform the role of a development organisation. And here, conflicts of interests may arise between functionaries and addressees of the project if the former push their institutional or even individual interests to the fore by making use of their influential role.

Last but not least, there is the **funding agency**, i.e. the group, association or aid agency supporting development projects, e.g. from Germany. It operates partly with staff working in an honorary capacity and partly with full-time staff whose chief aim is to support a certain group of disadvantaged people in the Third World in improving their living conditions. The majority of the funds come from the (German) public, and it is the latter the funding agency is accountable to. If the funds come directly from private donors, the aid agencies subject themselves to a voluntary self-control as a rule, for example to obtain the donation seal of the German Central Institute for Social Affairs (dzi). If government funds are provided, the requirements made by the budget law have to be met. In the case of co-financing, a funding agency may be accountable to other aid agencies. Also, it is the duty of the funding agency to provide proof to these organisations of the funds having been used effectively to the benefit of the poor population. Given the critical or even negative attitude towards development aid that can frequently be observed here in Germany, there is mounting pressure on the funding agencies to supply proof of the correct and effective use of the donations.

All these **organisations involved in projects** may differ regarding

- their notions of what achievements are
- their perception of changes
- their assignment of causes to the observed changes
- their responsibility for achievements and failures
- their interest in transparency

to mention just a few aspects. Who is more and who is less interested in establishing the impact of a project? Who will tend to gloss over results, and who will rather play down

achievements? Who will feel more suitable as a controller, and who will find no difficulty in being a project member under scrutiny? How is rational dialogue affected by all this?

One thing is certain. It will never be easy to reach a common assessment of achievements, i.e. impact monitoring and evaluation.

In this brief form, the above categorisations and statements are of a very generalising nature. You ought to go through them for your project and add other aspects as you feel necessary.

1.2 Defining problems and their indicators

If we later on wish to identify a project's achievements or impacts, this will hardly work if we have not accurately established its context right at the beginning. Although this insight may seem trite, the aspect it refers to frequently proves a dead loss in the day-to-day reality of a project.

The applications for projects or the project documents usually provide a justification for the planned measures that also contain a description of the context. Unfortunately, however, it is often so vague that it is of little use for subsequent impact monitoring and evaluation.

What could the description of the context look like if it is to support impact monitoring and evaluation later on? In addition to the general important information such as the framework conditions in the country and the region, special information must also be available about the location the project is being implemented in. For example, reference should be made to the positive aspects of the local situation and the population's potential. But it is also essential to obtain a detailed report about the **problems** the people are facing locally, especially the problems that are now going to be addressed with the aid of a project.

Only if we know precisely what the situation worthy of improving actually looks like before the project starts can we later on identify the changes.

What is a problem?

A **problem** is

a condition existing in reality that is regarded as negative and requires a change.

So in order to be able to assess the situation later on we always also need the description of the current conditions the disadvantaged section of the population is living in.

Example:

- *the women and children are suffering from malnutrition*
- *the income of the peasant families is low*
-

What is the most typical mistake made in defining a problem?

One frequent mistake made in defining problems is to express the problem as the absence of a particular solution, e.g.

- *lack of dried milk and medicaments*
- *lack of fertiliser*

This will then only be a deduced problem concealing another one. Defining a problem in such a manner is wrong because it already prescribes a definite problem solution (i.e. the provision of dried milk, fertiliser, medicaments) without having checked whether alternative solutions might not in fact be better. In this case, we will learn what the actual problem is once we explore what really lies behind the “lack of ...”, i.e. by asking:

If there is a lack of ..., will the consequence then be that ...?

The correct definition of these examples of problems could then be:

- *infant mortality is very high (instead of “lack of dried milk and medicaments”)*
- *cassava yield is very low (instead of “lack of fertiliser”)*

Although describing a problem in this manner is the crucial point to set out from, it is still not sufficient to allow for a monitoring of changes. We need (at least) one **indicator** for the problem and information about how it manifests itself.

What is an indicator?

We call the exemplary, concrete description of an essential feature a condition has an indicator. This description, i.e. the indicator, ought to allow for an optimum of objective verification, i.e. when it is monitored by different actors, they should not arrive at different monitoring results but at the same ones. It will not always be possible to obtain indicators that can be verified objectively because many features of problems in development co-operation are located in the area of soft (not unambiguously defined) factors and, moreover, may be perceived by individuals in very different ways.

Of course, the indicators, especially the ones that can be objectively verified, do not allow for a satisfactory description of the entire situation or problem. Nevertheless, they can at least enable us to establish an essential feature in order to perceive changes at a later stage. Experience has shown that rather vague indicators are of no use, but that the grassroots organisations are also keen to have objectively verifiable indicators because they are easier to understand for everyone involved, including the grassroots organisations.

An objectively verifiable indicator has five essential elements of information. The first three serve the description of what is supposed to be measured, while the following two describe the observed expression of the indicator at the respective point in time:

- ... which parameter? ... *the average weight*
- ... among which population? ... *among women with children under the age of 6 years*
- ... in which region? ... *in the districts XYZ of M*

... at which time? *December 2003 (before start of project)*

... at which status? *48 kg (problem status)*

It already ought to be mentioned that the indicators do not only describe the context – the actual situation – but that they are also going to be used to describe subsequent developments – the target situation; this will be dealt with in more detail in Chapter 1.3.

It is not always so easy to observe the indicators, let alone measure them. After all, if our problem is that the income of the peasants is low, we cannot resort to any income tax declarations to describe it. Neither would interviewing the peasants be of any use since such information is too confidential for accurate details to be passed on even to one's closest friends. So if direct indicators cannot be established, we ought to try to find indirect ones, so-called proxies.

In the case of income this would imply that we measure something that is closely linked to it and can easily be observed, e.g.:

- the purchase of new clothes for the children
- the frequency of going to school
- the frequency of eating meat
- the presence of a television or certain pieces of furniture

These proxies are always very context-specific. So they cannot simply be transferred from region A to region B. The best way to establish them is to have them defined and monitored by the people at local level.

Neither can indicators always be measured accurately. One can distinguish between the following ways of defining indicators:

Four ways of working out indicators:

1. Measuring or counting: (will provide us with accurate numbers)

Example: weighing the people and stating their weight in kg

2. Scaling: (gives us a description that can be subdivided into phases)

Example: grading the frequency of diseases: always - frequently - sometimes - rarely - never

3. Classifying: (gives us information on features that cannot be graded)

Example: YES or NO: "Is your child sick today?"

Example: WOMAN or MAN: "Is the health advice centre headed by a man or a woman?"

4. Describing qualitatively: (gives us an exemplary description only in words)

Example: just describe in words what is important in connection with this indicator: "A group of women from the district X in M have started to bake doughnuts made out of soy flour to sell them in the district Y."

Who explores the context?

Who is supposed to examine the context? Taking our three groups of actors:

- the grassroots organisation?
- the development organisation?
- the funding agency?

And who is to be commissioned by these organisations to do so?

The answers are not suitable for any generalisation. The following considerations should suffice as a decision-making aid:

Whenever possible, the **funding agency** should not do it. Exceptions: the statements in the application for the project seem dubious; the project members are not sufficiently experienced; or this survey is aimed at getting an exemplary impact monitoring exercise off the ground! And if the funding agency is involved, it has to closely co-ordinate its activities with the grassroots organisation.

As a rule, the funding agency consults an independent reviewer to this end. For practising or practical purposes, a staff member of the funding agency could also take part in a survey of this kind; independent expertise might then be questionable, but for smaller funding agencies, the considerably increased orientation on practice could be an important benefit.

In most cases, it is the **development organisation** that will conduct this survey since it usually also writes the application for the project, since it will be accountable for the implementation of the project and reporting later on, and since it will be more likely to dispose of the know-how required for the situation analysis than the grassroots organisation.

In normal circumstances, it will be the staff of the project who carry out the survey. This is reasonable with regard to getting to know the different facets of the situation, too. But it is also beneficial for an independent reviewer to conduct an “unbiased” situation analysis in addition in order to check, sharpen and extend the perception of the project staff.

Unfortunately, the **grassroots organisation** is only commissioned to survey the context in few cases. Wouldn't it be capable of doing this? After all, it does know its own situation best of all. It has participated in planning the project as a rule. And later on it has to implement parts of the project.

No doubt it is difficult to involve the grassroots organisation in surveying the context. Depending on how long a project is already in progress and what responsibility the addressees are to assume in the planned project, an assessment can be made whether it is feasible.

However, the grassroots organisation can also commission external persons, such as the village teacher, the doctor, etc., or the people affected (the women, the landless peasants, ...) can describe their situation themselves. There is a considerable risk that such situation analyses will be heavily biased by the interests of those conducting them and will perhaps

even be influenced by individuals. Then external support can contribute to a more realistic picture, e.g. via specialists of the development organisation or external reviewers or advisors. External methodical support is especially important if an exercise of this kind has never been carried out before.

More and more frequently, the development organisations are employing participatory methods of project management that also enable the village people to play an active role in analysing and steering projects. Already, much promising experience has been made with survey methods in which the people affected are actively involved, for after all, they are the ones who dispose of the richest context-specific insider know-how (e.g. Participatory Rural Appraisal - PRA). Assigning a higher status to this knowledge and integrating it into all levels of project management by using participatory methods bears a huge potential for development activities.

A situation analysis carried out jointly by the actors involved can also be very useful in developing a largely common view of the context. With the aid of experienced presentation, the different perspectives and information can be gathered and rounded off to yield a uniform picture. For example, this is a chief aim of the first steps of a ZOPP (goal-oriented project planning) workshop. Frequently, however, it is not possible to involve the representatives of the development and grassroots organisations in this on a par with the fulltime planners of the funding agencies.

1.3 Clarifying and defining targets and their indicators

Now that the problems have been defined and the indicators have been described more accurately, it is easier for us to define the targets and the corresponding indicators.

What is a target?

The **target** describes the desired effects or the expected advantages of the project. It is defined as a

desired condition that is to be reached in the future.

The targets have different time horizons. We have two ways of describing the conditions desired at different times:

1. as different targets: this makes sense if different time horizons (e.g. short-term – medium-term – long-term) define different target levels;
2. as a target with different expressions at different times that can be represented by an indicator (cf. Chapter. 1.2). For example, this is useful in a project objective.

Therefore, while the problem describes a current negative condition, the target describes a future positive condition. So there is a very simple relation between the two, for in a way, the target is the opposite of the problem.

If we wish to represent the positive changes in the situation of the addressees in the above-mentioned examples, the targets could be e.g.:

- *the children and the women are better nourished*
- *infant mortality is low*
- *the income of the peasant families has risen*
- *cassava yield is satisfactory*

What is the most typical mistake in defining targets?

One very common mistake in defining targets is that the target is expressed as an implementation of measures (activities), e.g.

- *training of nurses*
- *conducting food counselling*
- *drilling deep wells to secure drinking-water supply*

However, it is not the implementation of the project measures that constitutes a project's purpose and results but the achievement of an improved condition in the environment of the addressees. And that is why this desired condition ought to be expressed as a target! (also cf. Chapter 1.4)

What levels of targets are there?

Occasionally, it is useful to distinguish between three different levels of targets:

- **overall goal**
- **project objective**
- **result**

The **overall goal** relates to the desired condition among the project addressees and is a

condition that can be reached in the future that the project will be making a contribution to.

So the overall goal cannot be achieved with a single project. Rather, it requires the coordinated effort of several projects or a simultaneous combining of further factors. As a rule, an overall goal can only be achieved in the long term.

Example:

- the living conditions of the poor families in M. have improved

The **project objective** also relates to the desired conditions among the project addressees and is a condition of the future that can be achieved by a certain project, or, more accurately, with the aid of the planned project activities, the efforts of the project staff, the project funds and the active participation of the addressees.

If a desired condition has been achieved in the situation of the addressees, it can be formulated as follows:

Example:

- the women of M. who have been trained in the framework of the project ..., as well as their children, are better nourished

A project often consists of different project components. For example, a project aimed at improving nutrition for women and children may have a “health”, “food” and “income generation” component. The target of each component corresponds to a sub-target.

So the **result** can be regarded as a sub-target for which the project is responsible.

Example:

1. *the women have a basic knowledge of health and hygiene*
2. *the women can prepare more nourishing and cheaper food*
3. *the women are earning a greater income*

Results are also formulated in the ZOPP/Logical Framework. In contrast with the above-mentioned notion of a sub-target, one target describes

a product or a service that the project has to provide for its addressees so that the desired impact occurs.

Examples:

1. *mobile health counselling is working in the urban districts XYZ of M*
2. *the women's centre is operating and is being visited by the women*

This notion of a result can be useful for NGOs and projects with a strong service character.

So the result, the project objective and the overall goal are different levels of targets that are linked up via **assumed causal relations**. They all describe a desired condition that is to be reached in the future. We have to organise activities or measures in order to achieve the targets.

Often, the impact hypotheses are formulated as causal chains: if we implement a series of activities or measures, we will obtain an expected result; if we achieve the expected results, we will reach our project objective; and with our project objective, we are contributing to the overall goal we are aiming at. All this presupposes that certain framework conditions are given that have to be analysed in advance.

In reality, however, the relations are not that straightforward and seemingly monocausal, but assume a more complex nature. Systemic observations offer us an insight into intricate networks that the problems and goals are embedded in. Unfortunately, though, it is very difficult to illustrate this network, so that in practice a target tree is often resorted to.

How do we create the target indicators?

As already described with regard to the problems above, these objectives are not yet accurate enough to observe the changes later on. And for each target, we need (at least) one indicator as well as corresponding information on what its expression ought to be like at certain points in the future.

... which parameter?	... <i>the average weight</i>
... among which population?	... <i>among women with children under 6 years of age</i>
... in which region?	... <i>in the districts XYZ of M</i>
... at which time?	... <i>at which status?</i>

<i>December 2003</i> (before start of the project)	<i>48 kg</i> (problem status)
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<i>December 2004</i>	<i>51 kg</i>
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<i>December 2005</i>	<i>53 kg</i>
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<i>December 2006</i> (after the project has ended)	<i>54 kg</i> (target status)
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How indicators are created has already been described in the definition of problems. We have seen that the indicators should also describe the target situation and, whenever possible, should be embedded in the temporal context of the project.

As for the quality of target indicators, there are many rules. The following formula has been quoted particularly often: target indicators should be “SMART”:

S specific
M measurable
A achievable
R realistic
T timebound

In essence, this anagram says that:

- the relation between the target and the indicator has to be comprehensible
- the indicator ought to be an essential feature of the condition and ought to vary as it changes
- the target ought to be set just high enough so that it can be realistically attained with the means available (labour, money, material) – also with regard to its phases in its temporal progression!

1.4 Clarifying activities and the budget

When the targets have been agreed, we know what condition is to be achieved among the addressees of the project in the time given, possibly even with intermediate targets. But so far we have not defined what measures are to be taken to attain the targets. This is achieved by defining **activities**.

What are activities?

An **activity** is a

measure or operation that is to be conducted in the framework of the project in order to attain the results or targets.

Examples (for the above-mentioned result 1.):

- *organising an awareness-raising campaign*
- *running courses for women on hygiene in preparing food*
- *organising intensive care provided by midwives*

So the activities describe what the project staff and other project members have to do in order to achieve the desired change in the situation of the addressees. At the same time, they imply where and to what extent labour, money and material is required. In other words, the **budget** of the project is established via the activities, and not via the target (cf. end of this section).

While distinguishing between the target levels described above is very helpful but not absolutely necessary, it is essential in planning subsequent achievement and impact monitoring to distinguish between the two logical levels:

- *targets that describe a desired condition that is to be attained in the future and*
- *activities representing measures or operations that are to be carried out by the project staff.*

What common mistake is made in defining targets and activities?

As already mentioned in Chapter 1.3, we often find target definitions in applications for projects that in reality are descriptions of activities:

- running training courses for farmers in growing cassava
- training nurses
- counselling pregnant women

We can also find indicators of successful implementation for the activities:

- running of 20 field days and 5 three-day training courses, 500 farmers trained
- training of 25 nurses 22 of who have passed their exams
- regular counselling for pregnant women is taking place at 3 health centres, 80 women a month are being counselled

Admittedly, running such activities may have been the aim of the project. Everyone is satisfied. Why should anyone doubt the success of the project? **However, this implies nothing about the impact of the project!**

Together with the project partners, you yourself should once again make sure what the problem behind the project is. What would improve the situation of the project addressees? When has the project been a real success?

- Should the farmers be informed or should their cassava yields increase?
- Should the young women and men learn a profession, or should the health situation in a certain region be improved?
- Should the advice centre operate efficiently, or should the number of miscarriages and infant mortality be reduced?

We must not forget that many wells have been drilled, training centres have been built, workshops have been set up, people have been trained, campaigns have been run did success already lie in the fact that this was implemented, or in its having been of use to the addressees?

said is not yet heard
 heard is not yet understood
 understood is not yet approved
 approved is not yet applied
 applied is not yet continuously applied
 continuously applied is not yet improved
“done” is not yet “impacted”

What is a budget?

The budget is a *list of the expenditures and income* allowed for; it consists of a cost and a financing plan. The cost plan results directly from the planned activities; here, we are only going to deal with expenditures that can directly be assigned to the project, because they are the crucial issue. (It will however also be necessary to distinguish expenditures from costs – especially in the case of investments. And then there are overheads resulting from a certain organisational structure having to be maintained outside the project as well if it is to be implemented.)

Ultimately, only those items that have to be paid for or with which income is earned are entered in the budget. So we have to omit efforts and returns that do not assume a money form. These items in kind are entered in a separate list.

The following three steps are useful in establishing the expected expenditures of a project:

Establishing expenditures:

1. all project activities are listed (*activities plan*)
2. the amount of labour and material required for each activity is established (*expected effort*)
3. the amount of money required for the respective effort is calculated (*expected expenditures*)

In the case of a project also generating income, we again make three analogous steps:

Establishing income:

1. all project returns that can generate money are listed (*list of products*)
2. for each product, the amount expected to be produced is established (*expected returns*)
3. the amount of money to be earned with the respective returns is calculated (*expected income*)
4. additional funds to be reckoned with are listed, with attention being given to whether they are to be used for stipulated project activities as restricted funds or can be freely allocated

The budget has three essential purposes that will also be of importance in monitoring later on:

1. allocating of resources (labour, money, material) to the activities and hence to certain responsibilities (→ expenditures)
2. mobilising the resources (labour, money, material) necessary to implement the plan (→ income)
3. setting upper limits that expenditures must not exceed and bottom limits that income has to reach.

Expenditures and income have to be balanced in a budget. The cost plan alone is not enough; neither does it go without saying - and is frequently not conducive to the development goals - that costs are covered 100-percent by a foreign aid agency.

The project can only implement the planned activities if it disposes of the corresponding financial means. This is why all those involved have to know what the sources of income are.

1.5 Clarifying framework conditions and risks

The duties of the individual project members are stipulated in the project planning, which says what effort they have to make and what responsibilities they hold. If this planning is consistent, the project objective can be reached, provided that all those involved do their work properly.

However, this only applies if there is no interference from outside or inside. But precisely the latter is only all too often the case. In fact, it happens so often that planning (and hence also the entire budget) appears to make no sense.

Preparing the monitoring of impacts and results includes checking in advance what the essential framework conditions are for the project to be a success. This does not imply drawing up an endless list of all framework conditions. Rather, it is important to find out which of them are crucial and, at the same time, unstable. In other words, we have to establish the **risks**.

It is not possible to know all the risks before the project has started. Some risks may nevertheless be established, for example by our asking ourselves:

- What can go wrong?
- What could be an obstacle to the success of our project?
- What should not happen?

Incidentally, the perception of these risks will differ depending on the group of actors in a project. Not only is it important for the funding agency to ask itself these questions at the “green table” when taking a decision on funding, but what is even more important is that the development organisations consider these risks in their planning. However, if they mention too many risks, they may run into difficulty if no funding agency then wants to get involved. And what is most important is that the grassroots organisation is given the opportunity again and again to comment on this – even if its members perhaps find difficulty doing so at the beginning of the project.

Generally, one can distinguish between two types of risk:

1. external risks that lie outside the responsibilities of the project
2. internal risks for which the those involved in the project are accountable

Once the risks have been identified, it has to be assessed to what degree strong doubts are warranted regarding the achievement of its targets. This is also certainly another opportunity to explore additional project activities to prevent these risks or alternative approaches for the project.

Just like with the problems and targets, indicators have to be found for the risks that subsequently also have to be monitored regularly and that have to be appropriately responded to if the achievement of the goal is threatened.

When we have identified a risk, we must reformulate it so that we are describing the condition that should really exist:

- *dried milk and medicament supplies are sufficient*
- *the local representatives of the health ministry are complying with the agreements settled*

Regarding the external risks, those involved in the project should ask themselves whether it might not be possible to influence them after all, for example by making arrangements or co-operating with others who hold responsibilities, or whether they can safeguard themselves from them to a certain degree by taking precautionary measures. Such measures could be adopted in planning as additional activities.

What holds for the external risks applies even more to the internal ones: additional measures ought to prevent internal risks as well.

How internal risks can be reformulated as development targets

The conditions that should exist can also be seen as targets. If we ask ourselves “What should not happen?”, we are in fact asking about a target. We are formulating a condition in the future that we wish to avoid. And frequently, this is how we can reformulate this target: “What ought to happen (instead)?” We can express what we wish to achieve in positive terms:

Risk (negative) “What should not happen?”	Target (positive) “What should happen instead?”
↳ <i>that accounting is not done regularly</i>	↳ <i>that accounting is done regularly</i>
↳ <i>that the members do not repay their loans in due time</i>	↳ <i>that the members repay their loans in due time</i>
↳ <i>that internal controlling does not work in the grassroots organisation</i>	↳ <i>that internal controlling works in the grassroots organisation</i>

A second aspect of this reformulation of risks that targets may entail is even more important with regard to subsequent impact monitoring. In most cases, a project has been prompted by a concrete problem. The project objectives will then relate to desired technical or economic changes. However, if we deduce objectives from fears, they will often be goals relating to capabilities.

This approach allows us to identify very specific indicators for indirect targets that tend to be more concealed and describe properties of the capabilities that are preconditions for implementing projects and for development in general. Often, they are indicators of human resource and social development, and they are referred to with terms such as “soft skills”, “empowerment” or “problem-solving competence”.

References made to the respective targets and indicators usually tend to be rather vague. Using the intermediate step of reformulating risks, we arrive at very context-specific and precise indicators that are observed by the people affected themselves, that are of importance to them and that form their awareness and self-awareness. If it can be achieved that the members of a grassroots organisation or a development organisation are able to detect the risks among themselves, they have referred to part of their own development targets that are ideally suited for development impact monitoring.

1.6 Reporting

Even in its most simple form, systematic reporting is the essence of impact monitoring and subsequent monitoring of results. It has to be agreed right at the beginning and must then be maintained on a regular basis.

Reporting can be very simple, and the following basic pattern is recommendable:

What was planned / agreed	What has been achieved	Reasons for deviations	Adjusting measures
<ul style="list-style-type: none"> ↳ here, what was agreed needs to be repeated accurately ↳ <u>targets</u> with <u>indicators</u>: as agreed ↳ <u>activities</u>: as agreed ↳ <u>budget</u>: income and expenditure in the agreed structure with the agreed volumes 	<ul style="list-style-type: none"> ↳ here, the structure of the agreement has to be referred to accurately ↳ <u>targets</u> with <u>indicators</u>: what has been achieved? ↳ <u>activities</u>: what has been implemented? ↳ <u>budget</u>: how much has been earned, and how much has been spent? 	<ul style="list-style-type: none"> ↳ if substantial deviations have occurred, an explanation must be given how they came about ↳ what is “essential” can be determined quantitatively in advance (e.g. 20%), otherwise, flexible requests can be made 	<ul style="list-style-type: none"> ↳ if deviations have occurred: ↳ <i>either</i> adjustments have been made within planning ↳ <i>or</i> the plans have to be adjusted ↳ settle in advance: do adjustments require consent?

The basic pattern is backed up by certain basic information, e.g.:

- changes to the framework conditions of the project
- internal changes (e.g. staff, responsibilities) in grassroots organisations and development organisations
- unexpected measures and results
- monitoring the development of risks
- open questions

The questions that can be asked regarding the risks are very similar to those concerning the targets, activities and the budget:

- Which framework conditions were expected?
- Which framework conditions were actually in place?
- *If deviations occur*, what are they due to?
- *If adjusting measures are necessary*, what has been done, and what further proposals are there?

Incidentally, reporting is not only relevant to the relationship between the development organisation and the funding agency, but also plays a role in relations with the grassroots organisation and, in particular, as a controlling instrument among each of the actors involved.

For example, no decision should be taken on expenditures for the project within the development organisation without the person responsible having made sure that the budget limit has not yet been exceeded within the respective period. This can be accomplished with the aid of a financial report that is updated at least once a month.

Auditing is also becoming increasingly important. Not only is an audit an important form of self-control with the aid of an external auditor who can present an independent assessment of yearly accounts and management performance to the board. It also places an emphasis on examining the organisation's internal control mechanisms and makes proposals on how to improve them. In spite of auditing being relatively expensive and having fallen into disrepute owing to cases of complacency audits by self-proclaimed auditors, it has gained growing acceptance among larger development organisations and aid agencies. It is an important step towards more transparency.

1.7 Responsibility for monitoring of results and management decisions

Within every organisation, there are several levels of hierarchy that have (or are supposed to have) varying degrees of interest in the details of project implementation.

The closer someone is to the implementation level, the more detailed the information he or she will require about the activities the staff are involved in. We then have a more **implementation-oriented monitoring**.

The more someone is engaged in managerial functions, the more he or she will need summarised information. Depending on the management concept, this may amount to enquiries being made not so much about the carrying out of activities according to schedule but more about obtaining results or achieving impacts. This implies a more **result-oriented monitoring**.

Implementation-oriented monitoring is usually very important in the context of poverty and is therefore applied more widespread since many project staff depend on taking advantage of minor discretionary powers and activities that are subject to little control for their own benefit (or are urged to do so by their relatives).

Result-oriented monitoring probably fits in more with the way things are viewed in the industrialised countries. In "Management by Objectives", an agreement is reached on the results or objectives to be achieved. In a way, the activities with which this is accomplished are of secondary importance provided that the budget and the project's philosophy are complied with. As a rule, this responsibility for a result or a target is accompanied by a budget the responsible staff member can largely dispose of freely within the confines of the purpose set.

While this management concept will hardly be encountered among our project partners in the Third World, we have to bear in mind that the project agreement between the funding

agency and the development organisation is based on it, just like most of the planning models used in development co-operation, such as ZOPP.

These monitoring mechanisms also affect the form of internal monitoring and reporting. Even if we have to accept that the form that monitoring assumes depends heavily on cultures and styles, we ought to place more emphasis on result-oriented monitoring in the interest of impact monitoring at the project-steering level.

Those responsible in the development organisations have to seek ways to focus on result-oriented monitoring while delegating implementation-oriented monitoring

- either to a subordinate management level
- or to an internal administrative unit.

1.8 Project agreement and support measures

In the items referred to above, it has been shown that, right from the onset of the project, crucial courses are set for impact monitoring and evaluation at a later stage. So when financing is approved, a written agreement should be drawn up, above all between the development organisation and the funding agency, clarifying a common view of targets, work plans, budgets and reporting and defining the respective responsibilities. However, merely having a written agreement is not enough. What ultimately counts is that all those involved understand it and themselves agree with its contents.

Subsequent project support measures then have to relate to this project agreement. Compliance with the agreed regulations may also have to be reached in the event of a conflict. Appropriate reporting will later on reduce the effort needed for impact monitoring and evaluation, and grave misunderstandings can be avoided.

Annex – Material for copying Chapter 1

1.1 The project's actors

1.	2.	3.
Grassroots organisation	Development organisation	Funding agency

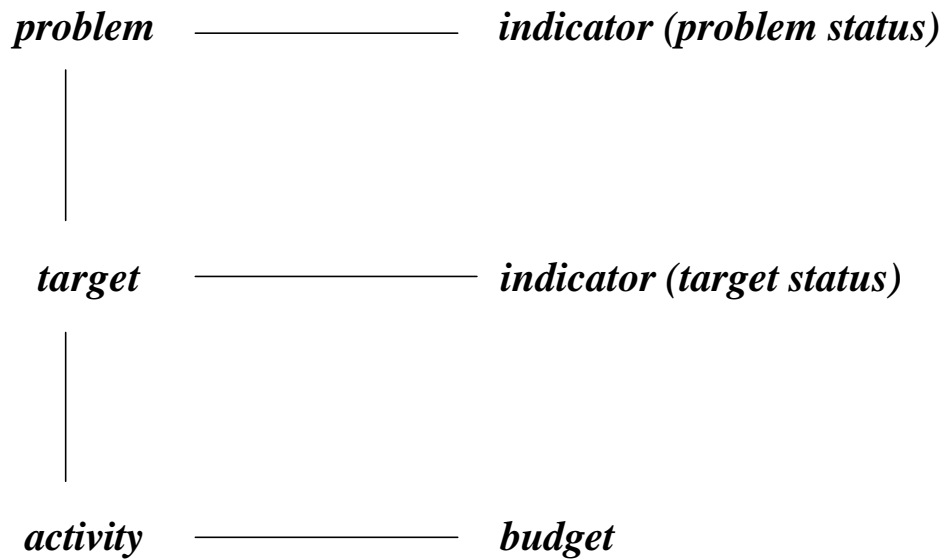
In turn, the members of these organisations differ for example with regard to

<ul style="list-style-type: none"> ↳ women and men ↳ being old or young ↳ being poorer or rich 	<ul style="list-style-type: none"> ↳ status in organisation hierarchy (head, specialist staff, auxiliary staff) ↳ women and men ↳ social and ethnic origins 	<ul style="list-style-type: none"> ↳ board ↳ full-time ↳ honorary ↳ public / donor
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These may differ further according to e.g.

interests
 perceptions
 benefit
 responsibility
 ...
 impact analyses !

**Five key terms
for planning and monitoring
of projects**



1.2 Problems and indicators

Problem: a condition existing in reality that is regarded as negative and requires a change

example: the women and children are undernourished
peasant income is poor

incorrect formulation of problem

(“What is lacking?”)

↳ lack of dried milk and medicaments

↳ lack of fertiliser

Developing a correct formulation of the problem

(“If there is a lack of ..., then this will result in: ...”)

↳ infant mortality is very high

↳ cassava yields are very low

indicator: The exemplary, concrete description of an essential feature of a condition

An indicator that can be verified objectively has five essential pieces of information

Example:

... which parameter?

... the average weight

... among which population?

... among women with children under 6 years of age ...

... in which region?

... in the districts XYZ of M.

... at which time?

... *in December 2003 (before start of project)*

... at what status?

48kg (problem status)

1.3 Targets and indicators

Target: desired condition that is to be reached in the future

Example:

- *the children and the women are better nourished*
- *the income of the peasants has risen*

Incorrect formulation of target developing a correct formulation of the target

(“Which measures ought to be completed by the end of the project?”)

↳ *training of nurses*

↳ *food counselling*

(“What should the situation of the addressees look like by the end of the project?”)

↳ *infant mortality is low*

↳ *the income of the peasants has risen*

indicator: *contains information on how the target should be expressed at certain points in the future*

Example:

... which parameter?

... *the average weight*

... among which population?

... *among women with children under 6 years of age ...*

... in which region?

... *in the districts XYZ of M.*

... at which time?

... *at what status?*

December 2003 (before start of project)

48 kg (*problem status*)

December 2004	<i>51 kg</i>
December 2005	<i>53 kg</i>
December 2006 (after the project has ended)	<i>54 kg (target status)</i>

1.4 Activities and budget

Activity: *a measure or operation that is to be carried out in the framework of a project in order to attain the results or targets*

Examples:

- *organising an awareness-raising campaign*
- *running courses for women on hygiene in preparing food*
- *organising intensive care provided by midwives*

Budget:	<i>listing expected expenditure and income that can be deduced from the planned activities (or is needed to maintain a project or organisational structure)</i>
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The budget plays three essential roles that will be of importance to monitoring results later on:

1. allocation of resources (labour, money, material) to the activities and hence to certain responsibilities (→ expenditures)
2. mobilising the necessary resources (labour, money, material) in order to implement the plan (→ income)
3. Setting upper limits that expenditure must not exceed and bottom limits that income has to reach (→ efficiency)

1.5 Framework conditions and risks

Asking about risks

- What could an attainment of the project objectives jeopardise?

If certain risks will probably make an attainment of the project objectives questionable, then it has to be settled:

- whether there are alternative approaches
- what we can influence ourselves

If there are further risks, the framework conditions have to be established:

- What framework conditions have to be in place so that we can attain our targets?
- How can we recognise that the required framework conditions are in place? (→ establishing and monitoring indicators)

Reformulating internal risks as development targets

Risk (negative)

“What should not happen?”

- *that accounting is not done regularly*
- *that the members do not repay their loans in due time*
- *that internal controlling does not work in the grassroots organisation*

Target (positive)

“What should happen instead?”

- *that accounting is done regularly*
- *that the members repay their loans in due time*
- *that internal controlling works in the grassroots organisation*

1.6 Reporting

Basic pattern with four columns:

What was planned/ agreed?	What has been achieved?	Reasons for deviations	Adjusting measures
<i>here, what was agreed needs to be repeated accurately</i>	<i>here, the structure of the agreement has to be referred to accurately</i>	<i>if substantial deviations have occurred, an explanation must be given how they came about</i>	<i>if deviations have occurred:</i>
<p><i><u>targets</u> with <u>indicators</u>: as agreed</i></p> <p><i><u>activities</u>: as agreed</i></p> <p><i><u>budget</u>: income and expenditure in the agreed structure with the agreed volumes</i></p>	<p><i><u>targets</u> with <u>indicators</u>: what has been achieved?</i></p> <p><i><u>activities</u>: what has been implemented?</i></p> <p><i><u>budget</u>: how much has been earned, and how much has been spent?</i></p>	<p><i>What is “essential” can be determined quantitatively in advance (e.g. 20%), otherwise, flexible requests can be made</i></p>	<p><i>either:</i></p> <p><i>adjustments have been made within planning</i></p> <p><i>or:</i></p> <p><i>the plans have to be adjusted</i></p> <p><i>settle in advance: do adjustments require consent?</i></p>

2. Impact monitoring

2.1 What is impact monitoring for?

2.1.1 Why the impacts?

Effectiveness and efficiency

Every organisation creates certain products. While an enterprise produces palpable products or services that have a market price, the nature of products in the non-profit sector tends to be less clear. As a rule, the products of a non-profit organisation only make sense through the impacts that it achieves in the sense of its non-profit or charitable goals.

The term referring to this that is frequently used in the development context is the **effectiveness** of a project or an organisation. We ask: “Are we doing the right thing?” (Do our results make sense?)

Another aspect is that we wish to employ our labour and our money (which we do not have in unlimited quantities, after all) economically, i.e. we intend to achieve a maximum impact with our limited means. While the economic **efficiency** (e.g. profitability, low unit costs) of a company is determined with the relation between input and output, in the case of a non-profit organisation, neither the effort (e.g. working in an honorary capacity) nor the yield (precisely the impacts it has in the sense of its non-profit or charitable goals) cannot be expressed in monetary terms. This is why its economic efficiency can only be determined to a limited degree.

So we can only make sensible statements about the effectiveness and efficiency of a non-profit organisation if we know its impacts in the sense of its goals as well as, possibly, non-intentional impacts.

Accountability

Of course, making these statements about effectiveness and efficiency is not an end in itself. Every donor and development organisation is in the limelight and must always be prepared to give a truthful and comprehensive account of the funds it has been entrusted with and the results it has achieved with them. Even the government is interested in this aspect, and not only as a “donor”. For example, the Ministry of Finance checks whether the organisation really is operating on a non-profit basis and is therefore eligible for tax benefits.

the public + the government

development organisation

board + management

members

the public + the government

funding agency

board + management

members

<i>donors</i>	<i>donors</i>
<i>addressees (“target groups”)</i>	<i>donors (“target groups”)</i>

Internal accounting is always necessary as well, for relatively large amounts of money are transferred, and the proper use of the funds also has to be demonstrated internally: staff are required to be accountable to the management and the management to the members, represented by the board.

Both internally and externally, there are further specific target groups that the non-profit groups have to supply proof of having worked well to, such as the donors or the addressees. They are involved either in the narrower or the wider sense, and neither the development organisation nor the funding agency can do without their trust and are therefore accountable to them.

2.1.2 Why regular monitoring?

Self-control and triggering of internal learning processes

In grassroots organisations, development organisations and funding agencies, monitoring impacts is of further significance in addition to accountability: impact monitoring supports self-control and the triggering of internal learning processes. Regarding self-control, two levels can be distinguished in development:

1. control (management) of project implementation, fine-tuning, as it were, of the project in the framework of the project agreement (which has to be changed if necessary); this is usually referred to as **monitoring**.
2. control (management) of the organisation’s policy, e.g. decisions on organisation objectives, on the form and content of the projects to be supported (what “products”), on the appropriateness of structures and collaborative schemes. Monitoring is just one precondition for this level. **Evaluation** is a further important instrument. It can also be used to question fundamental decisions taken so far.

Self-control can, for example, proceed in the shape of supplementary measures being taken if a project approach is not showing the effect it was expected to have or certain activities being extended if they are more successful than they were expected to be.

Two aspects of self-control ought to be mentioned here. Internally, continuous impact monitoring first of all serves the purpose of self-control. Externally, it also guides co-operation between the various actors involved in project activities; it supports dialogue, setting common targets, clarifying interests and co-ordinated action. In both cases, this may result at an early stage in preventing adjustment measures resulting from external pressure only being made when things have already gone wrong.

These control aspects also relate to impact monitoring as an instrument in learning: by making ourselves aware of changes and analysing their causes, we are enhancing the

perfectly normal mode of learning in a trial-and-error process that would otherwise perhaps only be reflected in fragments and would not be imparted among different actors.

So not only does self-control imply observation, but it also contains its assessment and a decision that may be deduced from the latter. In more general terms, this comprises the three steps seeing – thinking – taking action.

Since Chapter 3 is devoted to evaluation, the notes in Chapter 2 will focus more on impact monitoring. In other words, impact monitoring is described as an instrument used in day-to-day project management.

2.2 What is monitored?

Monitoring does not only focus on impacts. Rather, activities and financing are conventionally observed much more strongly in the sense of monitoring (cf. Chapter 1.7).

But in the following, it will be shown how **impacts** can be observed with a view to making management decisions. And in this section, practical instructions are given on impact monitoring. However, the term “impacts” first of all has to be delimited from similar terms. Subsequently, we must distinguish between different types of impact. And ultimately, we must know what which actor is interested in.

What are impacts?

It appears appropriate to explain the term step by step.

First of all, we can establish a **condition**. Here, it is always easier to establish the current condition (also cf. Chapter 1.2), but with a little more effort, we can also establish former conditions retrospectively. It is obvious that information becomes more and more imprecise the further back in the past the status examined is, whereas we are only able to refer to our memory of “then”.

If we compare two conditions, e.g. those at the start of the project and today, then we can usually detect a **change**. Even if, at first, we are unaware of what brought about the change, we will first of all have to gather the facts that we can relate to our initial condition.

In planning, we compiled impact hypotheses (cf. Chapter 1.3), i.e. assumptions on certain cause-and-effect relationships, which led to an ends-means structure of targets and activities. If the observed changes are in a cause-and-effect relationship with our activities, then we have to assume that they are **effects** of our project.

Ultimately, it will never be possible to prove that a change is a “genuine” **impact** of a project. The “further away” the change is from our activities, i.e. the more indirect any influence of our project is on the respective condition, the more blurred the causal relationship becomes. An evaluation may be aimed at questioning such impact hypotheses or demonstrating other relationships; such an approach may be guided by a theory or based on interviews of those affected.

Sometimes, the term “impact” is also used in the sense of long-term effects. However, the term **sustainability** or sustainable impact would appear to be more accurate in this

context. Nevertheless, this does not mean that the impact will last forever. Even if desired project impacts still exist after a number of years, this does not imply that they are going to be of **permanence**.

Summing up, we can now list the following steps in identifying impacts:

- First of all, the initial condition is established.
- **Changes** in the condition are identified by regular monitoring.
- With the aid of impact hypotheses, an assumption is made on whether the change in the condition is a project **impact**.
- Regular monitoring of the condition, also after the end of the project, will show whether an impact is **sustainable** or even **permanent**.

How can one deduce what impacts are to be monitored?

Since impact monitoring is presented in this context as an instrument of project management, the main question is: What is important in project steering?

The target levels (formal targets):

As already referred to in Chapter 1.3, provided that they have been formulated according to the rules stated there, the project objectives stipulate what impacts are to be expected on account of the project. Depending on how systematically the project has been planned, several levels of targets can be distinguished:

- overall goal: *a condition that is to be reached in the future to which the project is going to make a contribution* (= the project makes a contribution to this overall goal, but it tends to be indirect)
- project objective: *a condition in the future that is to be reached with a certain project* (= it is highly probable that project management will be able to attain the project objective, but it is not solely responsible for doing so)
- result: a target for which the project is responsible (= it is highly probable that project management will be able to attain the result in self-responsibility) *or a product or service that the project has to provide its addressees with so that the desired impacts are achieved.*

The perspectives of the different actors (informal targets):

As referred to in Chapter 1.1, the individual organisations involved in a project have different perspectives and interests in many respects, including the targets of a project. Although they have probably agreed on a common formulation of goals, it still has to be assumed that this is merely a compromise rather than an overall consensus:

- because they view the problems differently
- because they have different priorities
- because they have different needs
- because they have different notions of the targets

- because their proficiency in expressing themselves (in the development jargon) differs
- because they interpret (abstract) formulations differently.

It can be assumed that several perspectives can be deduced from the objectives:

- a - formal - objective in which, however, the project agreement, which tends to be formulated rather professionally, may be somewhat abstract
- several - informal - objectives that often tend to be of an unspoken and diffuse nature and may sometimes appear to be irrational but nevertheless determine the decisions made by those involved in the project

The impacts expected because of the formal objectives have to be monitored in any case. But what about the others? We always have to assume that there are objectives other than the formal ones. In some cases, we can research them by asking the other staff involved in the project – if possible without directly referring to the formally agreed objectives – what they expect or fear of the project. Partly, however, the informal objectives will never reveal themselves to us, either because they are too diffuse or remain concealed at a subconscious level, or because, as very personal interests, they ought to remain concealed.

Formulating targets on the basis of framework conditions and risks:

Reformulating internal risks as development targets has already been explained in Chapter 1.5. Even if our only target appears to be that of avoiding certain things, we are nevertheless setting a further target in opting for it. The examples in Chapter 1.5 show that here, particularly important development goals may be involved.

It goes without saying that these risks are perceived and judged differently by different members of a project – we will usually tend to see the risks among others rather than among ourselves. Referring to one's own internal risks amounts to admitting weakness.

Moral concepts and principles:

Often enough, we will find very important objectives in the statutes, the self-portrayal or the documents referring to basic principles of an organisation: e.g. the situation of women ought to improve, internal democracy ought to be promoted, local products ought to again be given a higher status or natural resources ought to be protected. Sometimes, the development principles remain on paper only. They are forgotten, and nobody enquires about what the impacts of activities actually look like.

Incidentally, this holds not only for “the others”, but to an equal degree for ourselves as well. Are we really achieving what we are striving for as a development organisation or what we are promising to others?

Here too, we have to monitor the impacts in order to maintain external and internal accountability. Each project member should once again assess what moral concepts and principles require special attention.

How can impacts be distinguished?

In spite of the odd repetition, some distinctions among impacts are once again referred to in the following:

Expected and unexpected impacts:

The expected impacts above all include those that are explicitly referred to as desirable in the formulation of the project objective; as a rule, they are monitored right from the onset of the project. In addition, it is of course conceivable that some expected impacts will not be explicitly mentioned because they are closely connected to the objective or because they do not appear to be worth specially mentioning. And negative side-effects may be feared as well, also as a concomitant of attaining a goal.

The unexpected impacts have not been predicted, so that they are only monitored right from the onset in the rarest cases. We cannot establish these unexpected impacts if we only ask about the targets (= desired impacts).

However, one exception could be that while leaving a certain condition unchanged was formulated as a target (or risk or principle), the project has now had unpredicted impacts.

Example: maintaining the quality of drinking water while establishing small enterprises in the districts XYZ of M.

Positive and negative impacts:

Here, it has to be borne in mind that impacts must not always be only positive (= desirable). We also ought to try to predict and monitor impacts when they are negative (= undesirable); usually, however, the negative impacts occur unexpectedly. Assessing whether an impact is positive or negative may often be subjective and ultimately depends on the system of values and principles pursued by the actors.

Direct and indirect impacts

In accordance with the impact hypotheses that planning is based on, in the case of the direct impacts, or outcomes, there is usually a clear target-means relationship between the project measures and the monitored impacts.

Regarding the indirect impacts, the target-means relationship tends to be less straightforward, either because there are several steps between project measures and impacts or because, in addition to the project measures, several other measures and framework conditions may have significantly influenced the changes.

The assessment whether impacts are direct or indirect stems exclusively from the impact hypotheses. In social sciences, cause-effect relationships cannot be proved (cf. Chapter 1.), and there is no clear delimitation of the two types.

Project budget:

As explained in Chapter 2.1, finance or the project budget is certainly not an indicator of impacts. Nevertheless, several reasons suggest themselves to regularly monitor the project budget:

1. If there is no overview of income and expenditure, no important project decisions can be made.

2. Monitoring the effort (labour, money spent, material) always has to be related to monitoring the yield (results, impacts) of a project, since such information is crucial to project management.
3. One important reason is that statements on efficiency are often expected, and in this context, impacts can be offset against the monetary effort (the money spent).

Budget control is always an elementary management instrument; here it ought to be noted that it is also of relevance in connection with impact monitoring.

Selection of impacts to be monitored:

It should have become apparent there are no end of things that need monitoring: all types of target, the diversity of actors, the many types of impact. But it is impossible to regularly, and in advance, monitor all conceivable impacts. We have to draw up a shortlist.

The choice of the impacts to be monitored depends first and foremost on the objectives of the actors and the mandates the organisations involved have. It is also determined by

- the volume of the project
- the sum of the funds used
- the time and means made available for impact monitoring
- the scientific cognitive interest
- methodological know-how and experience in impact monitoring
- education and training levels among those involved in the project
- pressure exerted by project management on other project members to justify their actions

and by many other aspects. Ultimately, the selection opted for reflects a political decision that is shaped by economic motives, for regular gathering and processing of information costs labour time, resulting in staffing costs. Effort and yield also have to be optimised in impact monitoring.

In order to restrict the wide spectrum of possibilities to a realistic magnitude, it ought to suffice for the beginning if each of the project actors involved (grassroots organisation, development organisation, funding agency) monitors 3 - 5 expected impacts regularly – the ones each of them thinks are most important. In this way, perhaps 5 - 10 important impacts will be monitored, some of them from more than one perspective. This is quite a lot to start off with!

2.3 Who does the monitoring?

It can be assumed that each of the project members will monitor the impacts that are of importance to him or her. Frequently, however, this will not proceed systematically. Ideally, the following approach ought to be taken:

Once each of the actors has determined for himself or herself which impacts are to be monitored, the project members ought to co-ordinate who monitors what.

Although it is standard practice that the development organisation carries out project monitoring and, therefore, impact monitoring, this is by no means the only, let alone the best, way. Rather, the approach depends on the individual case:

- Are there members or key people in the grassroots organisation that are capable of continuously monitoring the situation of the project addressees? (internal control functions, heads of areas of responsibility, village teachers, members of the clergy)
- Are there other organisations that are already regularly monitoring the situation of the addressees with respect to the problem situation in the framework of their own mandate? (health officials, agricultural extension officers, a neighbouring project)
- Is the funding agency - or a co-financing organisation – sufficiently interested in certain impacts to commission external monitoring by independent experts? Or could they be especially interested in having some things monitored covertly and completely independently of the existing monitoring system?

Monitoring or impact monitoring is always recommendable at three levels:

1. Project heads:

They have to monitor the areas they are responsible for on an ongoing basis in any case. They are very close to the implementation level and ought to be in touch with all the essentials of the project. However, the flow of information within the implementing development organisation is not always good. Hierarchy levels and leadership styles can prevent an open debate over possible problems. And for this reason, and because the outward presentation is tied to interests, it may be the case that not every undesirable piece of information is communicated to the others even if it has been seen by the project heads.

2. Project addressees:

They are immediately affected by the impacts of the project, so that this would qualify them as the best monitoring persons and sources of information. In participatory project approaches, it is a long-term goal to have those affected themselves carry out impact monitoring. However, getting there presupposes overcoming a number of obstacles:

- Often enough, the addressees do not have sufficient expertise (e.g. no school education)
- So far, the addressees have never or only rarely assumed such a responsibility regularly
- individuals (with a weak status) in the grassroots organisation would not dare to pass on information that could compromise others (with a strong status)
- individuals (with a strong status) in the grassroots organisation would not want to reveal certain information that would expose them or put them at a disadvantage
- just like in the development organisation, there are internal hierarchies and leadership styles that present obstacles to internal transparency

- the grassroots organisation often has objectives and factual knowledge that it is very unwilling to hand on to other project members.

However, there are ways and means of overcoming these difficulties. In this context, PRA and Participatory Impact Monitoring (PIM) are important instruments. While they initially require strong support for the grassroots organisation, they often score impressive results in sharpening the perception and awareness of the addressees, integrating them into decision-making and increasingly empowering them to shape their own environment.

3. Independent reviewers:

They can monitor, assess and report relatively independently; although they only have a relatively short insight into the situation and may overlook many an aspect, as specialists, they can often also establish many essential facts very quickly. It is important to understand that these independent reviewers cannot establish the “absolute truth” (which is all the more the case since there is no such thing as the absolute truth but only constructed images of it) but are able to draw a picture characterised by their professional experience as specialists, which allows them to voice an independent opinion. The people affected by the project may reject this opinion as a whole or in parts, but in all cases, it ought to serve as an important reference point in common debates. (also cf. Chapter 3: Evaluation)

2.4 When (and how often) does monitoring occur?

When and how often an indicator has to be monitored depends on the following circumstances:

- When or how often are project decisions taken (internally) for which the latest status of the indicator has to be known? (e.g. every 6 to 12 months; but this may also be much more frequently, for example in the case of disasters, or in combating diseases, especially if there is an epidemic)
- How often do internal supervisory committees or external project members (as well as the public) have to be informed about the status of the indicator?
- How frequently and how strongly do the indicator’s values fluctuate? How important is it for us to have the most up-to-date data on the status of the indicator? (e.g. development of the average weight and the average size of children)
- How often and when does the nature of the parameter generally allow it to be measured? (e.g. harvest yields, seasonal data)
- What effort does research and reporting require?

The time at which each individual indicator that the project members have chosen for impact monitoring should be set during planning or in the project agreement, but by the start of the project at the latest, if it is to be established in a meaningful way.

An assessment of the question who really is responsible for the monitoring of individual indicators and reporting, and at what point in time, may once again result in a critical review of the decisions made in steps 2 (Chapter 2.2) and 3 (Chapter 2.3).

Subsequently, provided that this is possible, an expected value ought to be determined for each planned point of establishing information. This will be simpler if measurable data is being dealt with, but it can be accomplished just as well if scaled, classified or qualitatively described indicators are used (cf. Chapter 1.2).

In analysing the context and the problems that are to be overcome, we have already established the initial expression of the indicator (Chapter 1.2) as well as the desired change towards the end of the duration of the project (Chapter 1.3). What now remains to be done in this step is to make a realistic assessment of how the indicators will develop between the beginning and the end of the project, e.g.:

- in a linear manner: the same changes in the same intervals
- progressively: given the same intervals, there will initially be small changes, but they will become bigger later on
- regressively: given the same intervals there will initially be bigger changes, but they will become smaller later on
- irregularly: either because, owing to external influence, changes could progress in this way, or because the measuring points have to be very irregular

2.5 How are things documented?

Internal documentation for project management

In documenting monitored impacts, an organised internal documentation first of all has to be ensured inside the project. This can best be achieved by drawing up a separate sheet for each indicator which is then continued over the entire duration of the project or even beyond it. The following structure suggests itself.

The indicator monitoring sheet comprises two sections: a head with the basic data, which remain the same, and a recording section in which the survey results comments are entered.

Name of field	Entry
<u>Head</u>	
Project	Name of the project
target/ expectations/ fears/ other items	What was the indicator deduced from? As a rule from a target (cf. Chapter 2.2), but perhaps also from informal expectations or fears, principles of the organisation, risks, etc.

Description of the indicator (parameter, population, region)	The first three elements of information in an indicator (cf. Chapter 1.2)
Status of the indicator (or basic data) when project started	The expressions of the indicator before or when the project started, the “problem status”
Source of information (+ responsible persons)	From what source has the information been obtained? Who is responsible for obtaining information = internal reporting?
<u>Survey section</u>	
Date	Points at which information has been or will be obtained
Expected results	The desired and expected results; context has been entered in head; the following entries describe the expected development of the indicator (cf. Chapter 2.4); the last value (for the time being) relates to the condition that ought to be attained at the end of the project (“target status”)
Results achieved	At each point at which information has been obtained, the new expressions of the indicator are entered here.
Analysis of deviations	<u>In the case of deviations</u> , an analysis of what could have caused them is made at each point at which information has been obtained.
Adjustment measures	As soon as a decision has been made on necessary adjusting measures <u>in the case of deviations</u> , this is entered here; it has to be assessed whether changes to the plan are necessary and consent has to be obtained.

Indicator Monitoring Sheet

Project: food counselling in M

target/expectation/ fears/ other items target 1: improved nutrition

Description of the indicator (*parameter, population, region*) the weight of women with children under the age of 6 years in the districts XYZ of M has risen.

Indicator (or basic data) status at beginning of project ... December 2003: 48 kg

Information source (+ responsible official) annual survey by Dr. Marion

date	expected results	attained results	analysis of deviations	adjustment measures
31.12.04	51 kg	49.5 kg	The project had started too late to have a full impact; advisors were insufficiently trained	Additional advanced courses for advisors, monthly coaching by Dr. Kawa
31.12.05	53 kg	52.6 kg	Minor deviation	-
31.12.06	54 kg			

In order to keep track of the indicator monitoring sheets, they ought to be sorted and stored in a folder. In addition, it makes sense to use a “Monitoring Calendar” or “List of Indicators” cover on which one can see at a glance which indicators there are and who is to survey them. It is to be compiled as follows:

“Monitoring Calendar” form

name of field	Entry
<u>list of indicators</u>	All indicators that are regularly surveyed are to be listed here (even if they do not relate to impacts but to activities).
no.	It is recommendable to use numbering, possibly also with letter abbreviations (e.g. T 1 = Target 1, R 3 = Risk 3, or whatever may be used) in the respective language.
name of the indicator	e.g. maize yield, summer diarrhoea among infants
<u>official responsible for monitoring</u>	Who is responsible for reporting on the respective indicator?

Reporting by the development organisation to the grassroots organisation need not be so formalised. If it is done at all, then it is usually oral and tends to be more casual. What is very worthwhile is to maintain formal reporting to the grassroots organisation's committees in addition to the (frequently suitable) informal information – this may be a members' general assembly.

The grassroots and funding agencies are usually not formally obliged to report. Increasingly, the funding agencies are also expected to formally report to the other actors in their lingua franca (“reversed reporting”); perhaps the Internet now offers many aid agencies a simpler approach to new types of reporting.

External documentation for the project addressees

It makes sense to keep the project addressees up to date on the impacts that have been observed on an ongoing basis as well. This also has to be accomplished in a manner that the addressees can understand, i.e. that is appropriate in terms of their culture, their level of education and their perception, while rousing their interest and encouraging them to reflect at the same time.

While people can be informed orally at meetings, information should also be documented in writing or graphically. Posters put up in easily accessible places (village square, church, town hall, etc.) or where the addressees are affected by the topic (health care centres, co-operative buildings, on the way to the river, etc.) are especially suitable.

Note: More and more frequent monitoring and documenting of the health situation by the health care centres is a very welcome development. Unfortunately, however, since these reports are only internal, this is usually not done in a “customer-friendly” way. Rather, the typed tables simply hang on the wall in the office.

No limits are set to imagination in terms of designing the posters as long as they are comprehensible and rouse interest. Some examples are shown on the two following pages.

This illustrative form of reporting should also be suitable if the grassroots organisation itself is in charge of impact monitoring and reports to the other project members – the development organisation, the funding agency, its own members as well as all other addressees of the project.

Not only is this particularly authentic, but it also bears a very practical aspect: no extra reports have to be written (all that may be required is a couple of explanatory remarks). For it is often the case that the main reason for reporting not being maintained is that the additional editing effort it entails is too much. (One popular name for the non-financial project report is the narrative report, the “rapport narrative” / “informe narrativo” – after all, narrating is telling stories, the fairy-tale!)

2.6 Who holds up the mirror?

Every observation of impacts as well as the mode of reporting may be shaped subjectively.

- Perception may be subjective.
- Documenting and reporting may reflect individual characteristics.
- Passing on of information may be tied to certain interests.

This is perfectly normal, and so we can cope with it very well in day-to-day project activities. It only becomes a problem if the subjective nuances result in major distortions in reporting.

In PRA, the participatory method of situation analysis, in which the grassroots organisation itself is active to a considerable degree, there is the principle of triangulation, which implies that everything should regularly be observed from another perspective in order to gain a more comprehensive impression of the situation.

In impact monitoring, this means that the impacts ought to be observed from other perspectives as well. This can be accomplished with others involved in the project within and outside the respective organisation or with independent reviewers. While these other observers will not obtain a “more correct” or “more truthful” picture, they can complement the picture with their (subjective) observations, with their opinion. Often, independent reviewers provide extensive specialist professional experience while disposing of less knowledge relating to the given situation and context.

Thus we can conceive an internal feedback, e.g. via

- team colleagues
- superiors
- an internal body for documenting or monitoring (example: the “M+E” unit)
- internally commissioned advisors or reviewers

or an external feedback, e.g. via

- the project addressees
- other organisations involved in the project
- externally commissioned (by other project members) advisors or reviewers

Depending on what the culture of dialogue is like within the organisations monitoring impacts or between the organisations participating in the project, feedback will be put to use in dialogue and learning processes or it will be applied in a destructive manner to heat up latent conflicts and to harden internally.

What ought to be taken note of here is the importance of triangulation in the shape of holding up a mirror, of having results of monitoring checked by third parties, and of reflection on different perceptions. However, all this requires considerable communicative skills if it is to promote learning from and with one another.

Anyone who has already experienced a project evaluation - or perhaps an organisational analysis in Germany – will appreciate what sensitivities can inhibit common learning processes. And it is obvious that the terms external advisors, reviewers and assessors also refer to evaluators. This issue is going to be dealt with in more depth in Chapter 3.

2.7 Who is reported to?

Not only does impact monitoring include establishing what changes have occurred, at the same time, many sensitive issues are addressed either explicitly or implicitly:

- whether the staff responsible have done their work properly
- whether the responsible organisation has put the barely sufficient donations to use efficiently
- whether the planners analysed the situation correctly
- whether the specialists provided the right advice
- whether the situation the addressees are in will already soon have improved so much that they can once again be omitted from support to the advantage of others who are even worse off

In a nutshell, the tricky question is who is responsible for possible mistakes or even the forthcoming end of the project?

However, looking at things from another angle, one can also ask what has been achieved:

- Thanks to whom have achievements been made?
- Which methods and organisational processes and structures have resulted in a particularly successful outcome?
- Which special aspects are worth communicating to others and being repeated?
- What have the addressees of the project already achieved to improve their situation?

In short, the encouraging question is what we can be proud of and who ought to be congratulated.

In practice, all this is a tightrope walk. Often, the authors of reports are not aware of whom a project report is going to be submitted to and under what aspects it is going to be evaluated and assessed. So if they want to avert damage to the project, they will formulate their report carefully. The further out (or up) a report is handed on, the more abstract and devoid of contents it will therefore tend to be.

This is why it is normal to a certain degree that reports are superficial and not particularly meaningful. The organisation funding the respective project ought to acknowledge that the development organisation or grassroots organisation therefore has only a limited interest in detailed reports. For as already mentioned, “honest”, “blunt” and “objective” frankness can cause damage if it does not allow for those responsible in a project to save face.

Normally, reporting within an organisation is usually addressed to the superiors. They are the ones who decide what is then to be reported to the “public” in the organisation, e.g.

the members. If an organisation is also required to report externally, for example to a funding agency, then certain regulations should be put in place in advance.

This is why reference should already be made in the project agreement to who is going to report on what. Confidential handling of information within a circle of persons affected can also be agreed on. And what is especially important is that information that could show people up ought to remain confidential, also internally.

2.8 How are reports evaluated? Who decides what the consequences are?

Impact monitoring is not *l'art pour l'art*. It is supposed to have practical consequences. Just like with monitoring in general, impact monitoring is not about merely “looking on” but is aimed at reflecting and, if necessary, taking action.

In the above sections, we dealt mainly with the monitoring and documenting of impacts. In the following, reference will be made to reflection and to the subsequent decision initiating the action to be taken.

What is the actual situation compared with?

The evaluation of the reports serves the analysis of the impacts. Impact analysis is accomplished by a comparison of the observed actual situation with a situation used for comparison. **This comparison does not always have to be a comparison of the actual situation with targets!** The situation used for comparison need not automatically be the planned target situation. Rather, supplementary modes of comparison are conceivable:

	Description	Advantages	Disadvantages
comparison of the actual situation with targets	The actual situation is compared with the situation that is described as the objective in planning.	Achievements can be compared with the set objective and the resources used.	The planning targets may have been unrealistic right from the onset; those responsible for what has been achieved may feel that they are being controlled, resulting in their distancing themselves from an evaluation in the sense of learning from one another.
Before-and-after comparison	The actual situation is compared with the situation that was observed at an earlier stage (e.g. before the project started)	First of all, changes are established, which allows for an unbiased reflection; this may result in more (self-) esteem than a comparison with a target that has been set unrealistically.	If no reference is made to targets, there is a possibility of even minor changes being overrated.
With-and-without comparison	The actual situation is compared with the situation prevailing in locations in which no project activities are taking place.	This comparison enables certain statements to be made on the impact of project activities.	The other place may be subject to other influential factors that are difficult, or require a considerable effort to recognise; and it is not easy to regularly observe impacts elsewhere.

Benchmark comparison	The actual situation is compared with the situation in a project serving the participants as an example.	The reference standard is flexible because a different project is also subject to the same framework conditions that cannot be influenced in one's own project; a comparison with colleagues offers an opportunity to exchange experience and learn.	It may be difficult to obtain the necessary information about the real conditions a project is in (also owing to possible rivalry).
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Who decides?

All actors involved in a project have to constantly compare the impacts they have observed with their expectations, risk assessments, principles, etc. and evaluate them. And what is more, this has to be done at the different levels of hierarchy within their organisations. Subsequently, in their areas of responsibility, all of them have to assess whether decisions are necessary.

If the action assumed to be required reaches beyond their own area of responsibility, the next superior is to be informed with a recommendation for action.

If the decision clashes with the project agreement as it stands (for example because far more money would be required for travel costs and far less money would then be available for fertiliser than the approved budget provides for) and alterations would have to be made to the project agreement, other involved project actors need to be informed and, if necessary, their consent has to be obtained. Ahead of far-reaching changes to the agreed project at the latest, an external review or consultation is urgently recommended.

Or would this be a convenient moment to conduct an evaluation?

Annex – Material for copying Chapter 2

2.1 What is impact monitoring for?

(two aims of impact monitoring)

1. Self-control and triggering internal learning processes

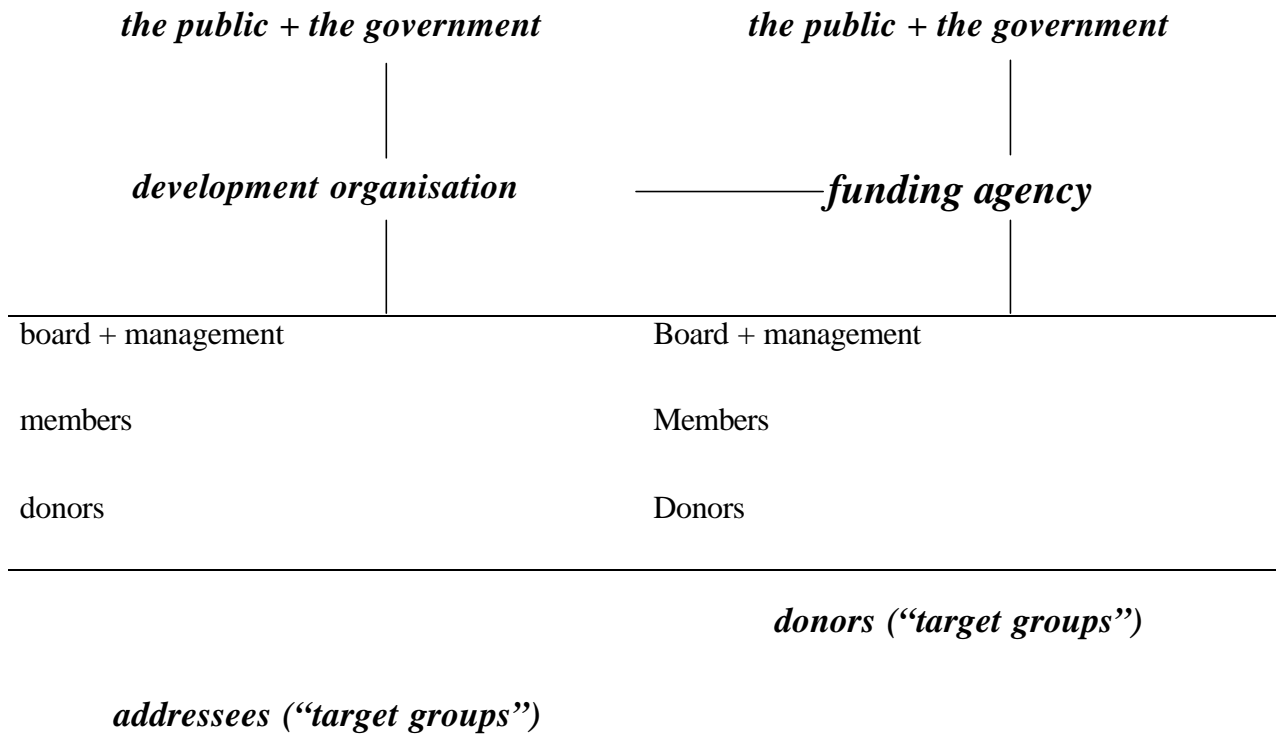
Triggering internal learning processes:

- becoming aware of changes
- analysing their causes
- trial and error

Self-control

- **seeing – thinking – taking action**
- taking supplementary measures if a project approach has not brought about the desired effect
- or if certain activities are more successful than expected, they can be extended

2. Accountability



2.2 What is monitored?

Status	present situation, usually that of the project addressees or their environment, which is established by indicators
Change	a comparison of the present situation with another one (earlier or elsewhere)
Impact	change that certain causes are assigned to (depending on assumptions about cause-and-effect structures)
Sustainability	permanence of a change or effect

What impacts are expected?

What should monitoring relate to?

formal targets:	agreed overall goals, project objective, results
informal targets:	expectations and fears of the project members
risks:	framework conditions and development targets deduced from risks
moral concepts and principles:	quality characteristics, principles, rules

expected and unexpected impacts

positive and negative impacts

direct and indirect impacts

2.3 Who does the monitoring?

Monitoring or impact monitoring can take place at four levels:

- | | |
|---------------------------------|--|
| Development organisation | <ul style="list-style-type: none"> • the project head already has to permanently monitor the areas he/she is responsible for • pressure to perform may result in the outward presentation being biased by interests |
| Grassroots organisations | <ul style="list-style-type: none"> • the project addressees are immediately affected by the effects of the project so that they know them best • very difficult without suitable methods • very productive if suitable methods (PRA, PIM) are used |
| Independent reviewers | <ul style="list-style-type: none"> • can monitor, assess and report on their findings in a relatively neutral manner • can often grasp the essentials very quickly as experts • only have a relatively short insight into the situation and may therefore overlook many aspects • independent opinion that those involved may either wholly or partly reject or accept |

SELDOM RECOMMENDABLE:

- | | |
|-----------------------|---|
| Funding agency | <ul style="list-style-type: none"> • is not independent and at the same time is usually far off • is only recommendable in exceptions |
|-----------------------|---|

2.6 Who holds up the mirror?

Every observation of impacts as well as the mode of reporting may be shaped subjectively:

- Perception may be subjective.
- Documenting and reporting may be influenced by individual characteristics.
- Passing on of information may be tied to certain interests.

Impacts should also be observed from other perspectives:

internal feedback e.g. by

- team colleagues
- superiors
- an internal body for documenting or monitoring (example: “M+E” unit)
- internally commissioned advisors or reviewers

external feedback e.g. by

- the project addressees
- other organisations involved in the project
- externally commissioned (by other project members) advisors or reviewers

2.8 How are the reports evaluated?

What is the actual situation compared with?

Comparison of actual situation with targets:

the actual situation is compared with the situation that is described as the objective in planning

It doesn't always have to be a comparison of the actual situation with targets

before and after comparison:

the actual situation is compared with the situation that was observed earlier on (e.g. before the project started)

with and without comparison:

the actual situation is compared with the situation given at locations at which no project activities are taking place

benchmark comparison:

the actual situation is compared with the situation in a project that serves those involved as an example

3. Evaluation

3.1 What is the evaluation for?

Abuse and uncertainty

Many people will tremble at the mere thought of the harmless little word “evaluation”, and it can cause many a project – even if it is among the largest – to sway and possibly collapse. Why is this the case?

Again and again, evaluations have been abused to terminate a project in the wake of a negative review. It is essential to know this in order to understand fears evaluations raise among development organisations in particular! Even if we want to adopt an entirely different approach, which will be described in the following chapter, we constantly have to counter corresponding reservations – and possibly also corresponding temptations in our own ranks!

Critics of this evaluation practice reject the controlling and examining role. The opposite approach is to opt for reflection, learning processes and dialogue and rely more on an advisory role. Does this alternative really meet the requirements? Can such an approach form the decision-making basis for project financing?

Similarities and differences between monitoring and evaluating

There are more similarities than differences between monitoring and evaluating, for monitoring also permanently involves evaluating. Monitoring and evaluation both imply a process of systematic and critical review of an operation (e.g. a project) with the aim of its adaptation to the circumstances. Both serve the two goals of accountability and internal steering with learning processes.

The crucial difference is that monitoring is done with the aim of checking an operation and adapting it; whereas evaluating is done with the aim of adapting strategy and planning. Therefore the latter involves a more comprehensive analysis of the context.

So the main differences refer to:

- periodicity: while monitoring is carried out at relatively short intervals, depending on the frequency of surveys of the individual indicators that has been agreed on, evaluation takes place at longer intervals.
- depth and width of the survey: while the depth of the survey in monitoring is determined by the data that has to be regularly established and otherwise does not extend the queries systematically, an evaluation usually involves a more in-depth analysis and a wider range of queries.
- extent of involvement: while monitoring does not have to integrate too many actors, this is expected in the case of the evaluation; the numbers of both the interviewed “resource persons” and the circle of evaluating persons are larger, and the latter

have a higher status in the hierarchy. In particular, an independent reviewer is usually consulted.

In some discussions among experts, too, terms such as “continuous evaluation” are used as synonyms for continuous observations or monitoring. However, it makes sense to distinguish between the two terms in order to describe different methodological approaches.

Here, therefore, evaluation refers to a periodical evaluation that

- only takes place once a year or even more seldom
- reaches beyond the usual monitoring in terms of the depth it examines at
- prepares fundamental decisions (outside the competencies of project management) involving more actors than in the ongoing process of project implementation

So there is a fluid distinction between monitoring and evaluation, and the two definitions relate to each other.

As has been said above, monitoring and evaluation serve the two goals of accountability and internal steering with learning processes. The polarity between the two goals can lead even more to conflicts than is the case with impact monitoring because they have far-reaching implications. The following contrasts the two concepts in a somewhat exaggerated manner:

Accountability

The goal of accountability is usually oriented outwardly, and as a rule, it contains controlling, examining, and reviewing; internal accountability, internal transparency, is also gradually gaining significance. Evaluations in which this goal is clearly at the forefront are referred to in the following as appraisal evaluations. As a rule, they are linked with the carrying out of an appraisal by an external evaluator who has been commissioned by bodies that are senior to project management and have the power to make fundamental decisions about the project. Usually, the management of the development organisations and the funding agencies take a common decision on this. But the evaluation can also be initiated and commissioned unilaterally; if it is carried out under external pressure, then there is a danger that the project implementing agencies will balk at the exercise and reject learning together in this situation. The project heads, who are responsible for accounting for project implementation, become controlled, examined and reviewed persons who might have to give account if they have not reached their objectives.

If an evaluation is commissioned by senior or external officials, then this means that, ultimately, they are setting the specifications for the reviewers and that they are the ones to be reported to. They will expect the appraisal to contain an independent opinion and all information that might be relevant to fundamental decisions about the project.

If an evaluation is to be carried out as a participatory exercise in this sense, there are many ways of designing it in a manner that will defuse this polarisation between examiners, those examined and the decision-makers. This will be described in the

following paragraphs. However, none of this will alter the fact that the fundamental conflict does exist.

Self-control and triggering internal learning processes

This goal is oriented more inwardly, e.g. towards self-control, self-reflection, self-observation and learning together. Evaluations in which this goal is clearly at the forefront of the exercise are to be typified as advisory evaluations in the following. As a rule, this also involves consultation and facilitating a common evaluation process by an evaluator who encourages those responsible for the implementation of the project to conduct an analysis, to adopt a (if possible common) view of the project and to arrive at decisions for the further steering of the project. Ultimately, the person doing the evaluation performs the role of the advisor who provides the project heads with subject-related and methodological feedback, points to alternative approaches and leaves a decision on accepting the feedback to the discretion of the project heads. Externally, this person may be commissioned by a senior body, and internally by the project heads. Thus, while the project heads may be controlled, examined, and reviewed internally, this is carried out in the team and therefore within a framework that has largely been set by those immediately involved.

Internally, the specifications for the evaluators are also defined by the project heads – or at least they have considerable opportunities to participate in defining them. This is frequently accomplished as the evaluation proceeds. The results of the evaluation are above all meant for the project heads. They result from dialogue, contain more confidential and personal information and are often not recorded in writing. In this case, a written report is of a secondary nature; it tends to contain the results of the learning processes rather than the facts of an actual situation.

Linking up the two objectives of an evaluation

The simplest way to link up these two goals is to say: they are two phases with different targets, approaches and requirements:

1. stocktaking: corresponds to the (2nd) step in monitoring and impact monitoring in which the actual situation is established; but in an external evaluation, this is accomplished by other persons than the ones carrying out continuous impact monitoring, i.e. by independent reviewers
2. reflection: corresponds to the (3rd) step in monitoring and impact monitoring in which the deviations from the compared value (e.g. the expected target situation) in the established actual situation are analysed; however, in the external evaluation, this is accomplished by an independent person who facilitates the reflection process

In practice, linking up the two goals of an evaluation is not very easy owing to the contrasting roles of those involved. Often, it is too difficult for the external evaluators to combine the roles of the reviewer and the advisor.

Many attempts have been made to remedy this dilemma, but the difficulty remains that an appraisal evaluation by an external person may cause rejection and unwillingness to co-operate among the persons who are supposed to change something, while assuming the role of a facilitator and advisor will tend to motivate them to show more readiness to accept changes. The degree to which one and the same person can assume both roles depends very much on the context. Often enough, well-meant participatory evaluations were designed with a view to learning together, only to result in those affected slipping into the roles of “victims and persecutors” in implementation, which of course prevented the desired learning processes from materialising.

The attempt made in the following to once again reconcile the two objectives of “accountability” and “self-control and triggering internal learning processes” in one evaluation can only work if the following is noted in implementation:

1. An evaluation is a decision-making aid. For example, it should not be initiated if the decision has already been taken to no longer finance the project and a survey is to be conducted merely to justify this.
2. The parties commissioning the evaluation have to be honest regarding the objectives. A funding agency announcing that it wants to stimulate dialogue while it really requires a project appraisal for a decision on the further funding of the project can cause a great deal of harm.
3. The two conflicting objectives can link up (and this will be the rule), but they should not be confused, and distinctions between them should not be blurred. There is no point in denying that, in addition to learning, the evaluation has the character of an examination if this really is the case. It is better to treat both roles openly.
4. Often, the behaviour of the actors will become more pronounced than the declared intention of the parties commissioning the evaluation. Old habits will often tempt them to present themselves as controlling or controlled persons. The funding agency should pay particular attention to details: the language of specifications, how findings are formulated, etc.

3.2 What is evaluated?

In impact monitoring, we concentrated on the impacts of the project – that was still a very large field. But in an evaluation, enquiries cover a much larger area.

An evaluation should include:

- the foundations of the project
- co-operation among actors
- the relevance and intention of the project
- the budget
- the efficiency of the organisation
- the efficiency of project management

- the efficiency of project implementation
- the effectiveness of the project (project impacts)
- the system of impact monitoring or monitoring in general

However, not everything can be analysed with an equal level of intensity; priorities have to be set and chosen.

The diagram “Possible areas for an evaluation” gives an overview of the most important thematic areas that can be examined in an evaluation. The Annex to this Chapter gives more details of what the individual topics may comprise.

But please: “omit whatever is not essential!”

Choosing the areas to be evaluated

The areas to be covered initially depend on the general goal of the evaluation: all of them can be evaluated both from an appraisal and an advisory angle. Even particularly sensitive topics such as the correct use of the project funds or the efficiency of the organisation are not conceivable as exclusively external review topics but also as topics for a process of reflection.

Rather, it is a question of economics, of employing the funds for an evaluation in a sensible way. One ought to focus on those things that promise an improvement in the impact of the project (effectiveness) and on the required effort (efficiency) if an effort that may be too great is suspected.

At least in commissioning an evaluation, further questions should be omitted if they have not already been treated as important topics. If it becomes apparent when the (first) evaluation exercise has been completed that further areas need to be dealt with in depth, this can be accomplished in a second exercise.

Selecting according to the angle of different actors

As already described in impact monitoring, the various actors in the project will probably also have different interests in the project evaluation.

The grassroots organisation will hardly explicitly arrive at the notion of conducting a project evaluation or commissioning one. However, there are grassroots organisations that are familiar with the instrument of evaluation, particularly self-evaluation.

It would be unusual if they were to display an interest in evaluations, but should this be the case, it ought to be taken seriously.

The development organisation is responsible for implementing the project. It is therefore automatically under scrutiny. In many cases, it is not actively interested in an evaluation; in selecting the areas to be evaluated, it will tend to try to omit whatever has already proved to be a fundamental weakness. However, depending on their experience, also on good experience with evaluations in the past, the development organisations have gained an increasing interest in evaluations.

Unlike the development organisation, the funding agency will wish to see precisely those areas at the forefront of the evaluation in which problems have manifested themselves in project implementation so far. Therefore, whether it be an appraisal or consultative evaluation, it will often seek those very areas that the development organisations would rather leave in the dark. This can only result in conflicts!

A far more rational approach would be for the funding agency to concentrate mainly on having the same aspects evaluated that it already scrutinised in the project appraisal. This would bear considerable advantages:

- the project assessment and evaluation patterns would be virtually identical
- there would be a standard pattern that would considerably simplify and accelerate formulating the evaluation mission (Terms of Reference)
- the project agreement would not only state that an evaluation is to be conducted but could already refer to the areas to be evaluated
- an agreement in advance would bear less conflict potential

Of course it should always be possible to add more details to the general pattern and adapt it before the evaluation has been commissioned. What is important is that the intentions and structures behind the evaluation remain evident.

When is the selection made?

These conflicts can be reduced considerably if a decision on the evaluation is not left until the point when grave problems have become apparent. It makes much more sense and is fairer and more straightforward to determine as early as possible, that is, in the project agreement, that an evaluation is planned and which areas it is supposed to cover. This prevents the evaluation from assuming the character of punitive action, and its contents are shaped not so much by immediate problems and topics but to a much greater extent by the general issues, which also corresponds more to the notion of comprehensive reflection.

Formulating the Terms of Reference (ToR)

One of the most difficult steps in an evaluation certainly is that of formulating the specifications for the evaluators. In a development context, they are usually called the “Terms of Reference” (ToR). In the ToR, the commissioning parties of the evaluation describe the precise mission of those who are to conduct it. By and large, the ToR ought to contain the following information:

Reason for the evaluation: If the evaluation is a routine measure that was planned right at the onset, the ToR will not require lengthy wording. But unfortunately, it is still the rule that evaluations are commissioned when certain problems have become manifest. Brief reference ought to be given to this background in the ToR.

Evaluation goal: What is supposed to change after the evaluation? And what can the evaluation contribute to this? Perhaps the evaluation is only part of a longer process of change, and perhaps it is part of a whole chain of measures.

Areas to be evaluated: In accordance with the above diagram, the areas are referred to that are supposed to be the object of the evaluation. If possible, generic terms are to be used rather than individual questions about what is to be tested. However, individual questions may be useful to illustrate issues so that the evaluators know what the commissioning party regards as really pressing problems.

If individual questions are included in the ToR, the commissioning parties may want to explicitly commit the evaluators to comment on them in the report. But this needs to be clarified, for not everything that has been surveyed needs to be written down. If the individual questions are not contained in the ToR, it will ultimately be up to the evaluators to examine or ignore them. If the ToR are drawn up as a list of questions, this can considerably impede the carrying out of the evaluation:

- the examination character of the exercise will have a lasting impact on the mood of those under scrutiny
- learning together will also be made much more difficult by the strong pre-structuring
- the scope of the evaluators to shape the exercise themselves – which also affects how they use their specialist know-how – is strongly restricted
- the evaluation takes a lot of time, both in terms of gathering data and writing the report
- focusing on essential issues as well as useful working hypotheses and structures could be jeopardised

Approach and methods: This is where details are given on the necessary activities and how they are to be carried out:

- reviewing documents: at which organisations
- interviews: by whom
- gathering data: what and how, to what extent
- visits to projects and villages: which ones, how long and with which contents
- workshops: where, with whom and in what role
- explaining the roles: especially the role of the evaluators (reviewers, facilitators, advisors)

Report structure:

It should generally be understood that if the evaluators are commissioned to examine something this does not automatically mean that they have to report about it. Usually, however, the commissioning parties expect the ToRs to be reflected in the structure if no other agreement has been made. This is why it is recommendable to write down the

desired structure of the evaluation report. Close details are not required. This will ensure that everyone knows what the written reports are to cover.

Mode of reporting:

- Who should the evaluators report to? To what extent are reports submitted to the local project head of the development organisation, and what form should they assume?
- Written or oral?
- With what method (presentation by the reviewer, didactical talks with the board representatives or moderated elaboration of the actual situation)?
- Should the results of the evaluation be verified in this process, and should feedback be sought?
- When?
- How should the grassroots organisation be reported to?
- How should the funding agency be reported to, especially in the case of co-financing by the non-commissioning funding agencies?

Requirements for evaluators:

There must be a clear job description for the evaluators. When a team is set up, a certain mixture of characteristics and competencies is usually desired:

- subject matter competencies or specialisation
- methodological competencies
- social competencies that the evaluation may require (are the roles more those of reviewers or advisors, or are they combined?)
- linguistic skills
- knowledge of countries or regions
- regional origin
- women or men

Schedule:

Everyone involved has to be able to make preparations for the evaluation schedule, from the initial steps through implementation at local level to the evaluation of the results. This is why the schedule already has to be settled at an early stage.

Evaluation budget:

Without doubt, the cost plan and its financing will tend to be an internal issue of the commissioning parties, so that they are usually not included in the generally accessible specifications for the evaluators – for reasons of completeness, it is nevertheless referred to here. The cost plan contains the additional costs of the evaluation – i.e. those that are not already covered by the other budgets provided that they entail payments in money. (Before evaluators are commissioned, it is recommendable to obtain cost estimates and integrate the agreed (sub-) budgets into the (overall) budget for the evaluation. Usually, the effort on the part of the project officers is considerable, although these costs are not included in the budget.

For the funding agency and its donors or the public (the tax office), the issue is of increasing relevance whether the costs of the evaluation are programme costs, i.e. part of the project costs, or administrative costs.

Without doubt, the evaluation costs are directly related to a project and therefore represent programme costs, so that this should already be considered in approving or planning the programme funds.

3.3 Who evaluates?

Two questions have to be distinguished regarding the actors:

- Who commissions the evaluation?
- Who carries out the evaluation?

As already described above, the evaluation is, as a rule, jointly commissioned by the development organisation and the funding agency; to an increasing degree, it is also the development organisations that commission evaluations.

The question who then conducts the evaluation first of all depends on who has initiated it.

Although grassroots organisation cannot be commissioned, it can be prompted to carry out a self-evaluation. However, it will only be able to examine its share of responsibilities, and not those of the development organisation or the funding agency. But it should voice its opinion on the role of the latter. Usually, it cannot do this on its own but requires instructions, either from the development organisation or, preferably, from independent advisors.

The development organisation can be initiated to carry out an evaluation. But it can also already be commissioned to conduct a self-evaluation in the project agreement. Here, its own responsibilities regarding project implementation will probably be the focal point of interest, albeit in conjunction with the roles of the other actors. Depending on the qualification and experience of the staff, it can do this on its own, or it will pay for support in this respect by independent advisors. Ideally, the grassroots organisation and the funding agency are present when the results are verified and evaluated.

In analogy to our remarks on the situation analysis and impact monitoring, the funding agency should not conduct the evaluation if possible because it is not independent and its results will therefore hardly be accepted by the project heads. However, it can be represented in the evaluation team, e.g. for staff training purposes.

Very often, external advisors are commissioned as evaluators. They can be employed by any of the project actors. In choosing them, care should be taken that they are independent of the interests of those involved in the projects; in practice, however, the actors who have not been involved in commissioning these evaluators will always assume that they are not completely independent but that cultural proximity (e.g. the funding agency commissions a Northern advisor) and the special relationship of loyalty and confidentiality will result in unprofessional compliance on a minor scale.

If there is mention of a joint evaluation, this can imply two things:

- The actors commission jointly
- The actors evaluate jointly (possibly with a distinction between the survey and the evaluating phase)

Joint commissioning means that the actors – not necessarily all of them, usually the development organisation and the funding agency – work out the ToR jointly and approve them on a consensus basis. This may not be simple, but it is certainly a lot simpler than a joint implementation.

Of course, a precondition for a joint implementation of an evaluation is that the ToR have been compiled in a joint effort. It is essential that a distinction subsequently be made between the survey and the evaluating phase:

The project actors' different interests, perceptions and interpretations that have been referred to earlier on make it improbable for a consensus to develop among them during a survey. The survey phase should be left to either one or several evaluators with a maximum of independence of the actors. If independent surveys are questioned or not desired, there should at least be separate surveys from the actors (in this case possibly also without external staff), which can then be compared in the evaluation phase.

While a joint evaluation appears to be feasible, it will probably still create a number of difficulties in practice owing to the time and decision-making pressure it entails. Good, independent facilitation will certainly pay its way in this case.

Of course the demands on evaluators have to comply with the special ToR of this evaluation. The subject matter expertise of the evaluators is not always at the forefront of considerations in this context. As a rule, in addition to experience with the project and relevant knowledge of the respective languages, the evaluation will also require being familiar with the country or at least the region and, additionally, methodical know-how as well as experience in handling people in examination and consultation situations.

First of all, the question has to be raised what the evaluation emphasises, the review or the consultation aspect. Accordingly, different cross-section competencies are required. In an appraisal evaluation, the focus will be more on specialist know-how and experience in establishing objectively verifiable data. In an evaluation with a strong consultation component, skills in conducting talks and facilitation as well as surveys involving participatory methods will be more in demand.

Ultimately, the commissioning parties should really always have direct talks with the identified prospective evaluators to find out whether the latter can carry out the

evaluation to their satisfaction. But since this will not always be possible, they often have to rely on the advice and opinion of mediators instead.

If the evaluation is not conducted by a single person but by a group of evaluators, attention should be paid that the composition of the team is balanced with regard to:

- balanced involvement of the project actors in selecting the evaluators
- balanced origin of the evaluators (North/South, but also within a country)
- balanced distribution of sexes among the evaluators
- interdisciplinarity
- balanced distribution of competencies (not only in terms of subjects, but also methodically and socially)
- balanced distribution of roles (reviewers, advisors, facilitators)
- ...

Conflicts are quite normal in a team of evaluators. They stem not only from the various perspectives of the evaluators but are enhanced by the fact that here, a group of distinguished expert characters have to get their act together within a very short space of time and might even be required to come up with a common result. This is why team leadership has to be settled in the preparatory measures for the evaluation, in the ToR, and in the event of conflict, the team management also has to exercise its managerial power. While this will not rule out conflicts altogether, it can help solve them more quickly.

3.4 When (and how often) is an evaluation carried out?

It has already been mentioned that, in practice so far, evaluations are usually conducted sporadically, if problems crop up in a project, or if the funding agency is faced with the decision whether now, after so many years, the project is still supposed to be financed with ever increasing contributions. No doubt this does bear a conflict potential. It ought to be avoided.

It is desirable that evaluations be carried out with a certain degree of regularity. This need not be a very expensive venture, for it can then be made easier to conduct! Moreover, a combination of phased forms of evaluation is conceivable:

First of all, the relation to impact monitoring or to project monitoring in general ought to be taken note of. If impact monitoring is carried out regularly as well as an additional monitoring of further facts, an evaluation can then rely on a comparatively sound data basis.

The evaluation can then assume a special role regarding impact monitoring: If impact monitoring is carried out by the actors themselves, it can at least partly acquire a fairly subjective slant – perhaps this is why some impact analysts have their reservations about this participatory approach to impact monitoring. But if an external evaluation is given the role of cross-checking the data of previous impact monitoring while it is establishing its own data, this would represent a corrective. From an atmospheric angle, it is important

that such a role for an evaluation be agreed right from the onset, in the project agreement and in establishing impact monitoring, and not when the funding agency has the feeling that impact monitoring is being carried out in an all too biased way.

Second, the evaluation can be related to auditing. Provided that this is stipulated in the project agreement, it also ought to be established that the ToR for the auditor not only provide for a review of the internal control mechanisms regarding the administration of funds, but that they also make statements on the management system as a whole. A complete management audit is not required; a normal volume of auditing can be agreed that is not restricted to auditing the annual accounts. In this way, management aspects can be excluded from the evaluation.

Third, a phased system of evaluations can be agreed. For example, annual self-evaluations of the development organisation (and possibly even the grassroots organisation) are conceivable, whereas an evaluation involving external staff could be arranged for every three to five years. The latter could then in turn relate to the self-evaluations. It goes without saying that the more seldom external evaluations would then also comprise further-reaching surveys and more in-depth analyses. In small projects, the desired periods would be three years, roughly analogous to a self-evaluation, and an external evaluation would be carried out every six to eight years.

The point, or better the period, of the external evaluation should not be tied in too closely with schedules linked to more far-reaching decisions – for example a decision by the funding agency on a further financing of the project. Everyone involved needs time for the evaluation and to introduce possible changes, so that one can perhaps aim to carry out the external evaluation in the middle of a funding period (e.g. of three years).

3.5 How is a documentation compiled?

A written document on the evaluation always has to be submitted. It is important, and in no circumstances must it be lost! As a rule, it will be the report stipulated or agreed in the Terms of Reference.

But if learning processes are to be promoted as well, the report can only be half the result:

- to remain comprehensible, it can only contain the most important facts
- it has to omit many an aspect so that those responsible can save face; information that has not been recorded is then communicated to those affected orally – and possibly confidentially – and consultations are held with them
- those affected may have important sudden insights while the evaluation is being conducted, often, they cannot even be perceived, let alone recorded, by the evaluators

Workshops are a crucial element of consultative evaluations. Here, it is usually not the “hard facts” that are established which could be objectively verified but more the “soft facts”, i.e. learning processes, insights and visions. These aspects depend considerably on situations. Often, the insights are not sustainable or lasting, and they frequently dissipate. But they can also become much more firmly rooted in the course of time. Sometimes, the workshop results are rather half-baked. This also applies to the fact that brainstorming is

often documented that is then copied without having been “censored” since it contains authentic results for the workshop participants; such accumulated results will not contain an elaborated and balanced formulation of a consensus, and often, extreme individual opinions are represented.

In documenting brainstorming and other workshop results, for example from working groups, it has to be ensured that those who are going to read the report later on can understand the context properly. For example, it would be quite wrong for the funding agency to expect to be able to draw in-depth conclusions from individual remarks made at a workshop.

What was already mentioned in the context of impact monitoring also applies to important evaluation results: visualising individual results makes sense if they are prepared and publicly announced in a way that will encourage those who are in a position to effect further changes to reflect and debate.

3.6 Who cross-checks?

The importance of holding up the mirror to each other again and again owing to the different perspectives of the project actors has been stressed several times. The evaluation will assume this role in particular when external evaluators cross-check the results of previous impact monitoring or self-evaluations.

But of course it also applies to the external evaluators that, with their restricted possibilities (above all the small amount of time) they also have a restricted view of things. They can only give their opinion, and this is not “the truth”. It is perfectly justified and may even be absolutely correct to hold an opinion differing from that of the evaluators.

As a rule, provisions are made to present the results acquired during or towards the end of a survey phase to a larger group of project members. One of the purposes of this presentation is always that of cross-checking the results the evaluation team have obtained, of “verifying” them. The feedback given here on the presentation of the evaluators is very important, especially in the case of the appraisal evaluation. The consultative evaluation has already adopted this discussion process in its procedure via various perceptions.

3.7 Who is reported to?

Obviously, the evaluation report above all addresses the parties it has been commissioned by. As assumed above, these will usually be the funding agency or the development organisation.

An evaluation report is always confidential. The evaluators should already be aware of whom it will be submitted to when writing it in order to find the right style, for the evaluation report is meant to be an aid in forthcoming changes rather than an obstacle to them. If senior decision-makers are exposed in front of their staff, many changes will be blocked for the time being.

Even so, publishing a summary or parts of the report can be a very worthwhile venture. The people interviewed in the course of the evaluation are perfectly justified to learn about results. All of those affected by the project want to know how things are to go on. These expectations, which also involve a considerable amount of positive energy, must be taken into account.

What is going to be published is up to the commissioning parties of the evaluation, not the evaluators.

The same applies to the case that in the course of follow-up work on the evaluation individual actors have to know more about the results. In this case, the circle of confidentiality has to be extended, at least as far as certain topics are concerned; this is another decision the commissioning parties have to take.

3.8 How are the reports evaluated? Who decides the consequences?

Obviously, the commissioning parties will evaluate the evaluation report according to their specific interests.

As far as the funding agency is concerned, the emphasis should not be on whether a project will continue to be financed but how. As a rule, new accents have to be set. (But from the angle of the funding agency, it is not necessarily always the “partner” whose activities have been evaluated but may also be its own organisation, even the responsible staff member. In other words, there might also be a body within the funding agency that has a vested interest in checking the quality of project implementation, for example a senior member of the staff or an evaluation section. As a rule, the funding agency will wish to discuss these issues both with the development organisation and, preferably, with the grassroots organisation as well. But this is not always very straightforward.

Sometimes, the development organisation will not be particularly eager to evaluate the report. Management may feel unduly degraded and poorly treated and prefer to remain silent about the report. It may then be up to the board of management (or other supervisory committees) of the development organisation to press for an evaluation. Unfortunately however, these may not be sufficiently qualified in practice to provide differentiated feedback or to take the appropriate decisions.

It is all the more important that the project agreement contains regulations on the entire evaluation procedure and stipulates in particular that the process is not concluded with the submission of an evaluation report. Rather, it has to be settled - in talks rather than in letters - that the evaluation results also have to be evaluated by the development organisation, and that it is expected to work out recommendations for action should the need arise, rather than waiting for instructions from the funding agency.

Especially in the case of an evaluation having been commissioned by the development organisation, it is unacceptable for an evaluation report to be passed on to the funding agency (or the grassroots organisation) without any comment being made - just like a hot potato.

The grassroots organisation also has to evaluate its section and, if necessary, decide on consequences. But here, whether support will be given depends to a particular degree on external advisors, from the development organisation or from the circle of evaluators. This has to be decided from case to case.

Annex – Material for copying Chapter 3

3.1 What is the evaluation for?

Two objectives of the evaluation:

Accountability

- independent examination
- appraisal evaluation

Self-control and triggering of internal learning processes

- support, facilitation
- consultative evaluation

These two objectives can lead to **conflicts** in an evaluation:

- The process of examining can block learning processes.
- The process of facilitating can create problems for the independent examination.

The two objectives must not become blurred or be confused!

However, they can be linked:

1st step

stocktaking

Establishing the actual situation
by independent reviewers

2nd step

reflection

Facilitation and support by
independent advisors

3.2 What is evaluated?

Structure for the “Terms of Reference”

- ↪ reason for the evaluation
- ↪ objectives of the evaluation
- ↪ areas to be evaluated
- ↪ procedure and methods
- ↪ report structure
- ↪ reporting mode
- ↪ requirements for evaluators
- ↪ schedule
- ↪ budget

List: “Possible areas of an evaluation”

(This is a – still incomplete - Checklist. **Note:** A **choice** has to be made from these areas and sub-items!)

1. Situation analysis

1.1 Description of the situation in the country

- in the region
- in the project area
- relation to the data/indicators mentioned in project planning; analysis of how they have changed; prospects for their development
- reasons for choosing the project area

1.2 Potentials and problems of the disadvantaged population

- breakdown of population according to sex / age / ethnic origin / ...
- reasons for choosing the project addressees

2. Organisational analysis

2.1 Structures of the development organisation

- potentials and problems
- history
- mandate, overall goals
- concepts and working principles for development, gender, environment, ...
- legal form
- organisational structure and procedures
- role of the board of directors
- staff (breakdown according to specialist/support staff, education and training, men and women, ...)
- internal regulations that are in place (finance, how material is used, ...)
- participation of staff members
- participation of the project addressees (the “target group”)
- participation of the members (if there is a membership structure)

2.2 Services / products of the organisation

- all projects implemented
- sector orientation

- regional orientation
- project addressees preferred by the organisation

2.3 Supervision and management of the organisation

- true role of the board of directors
- implementation of the mandate, the overall goals, the working principles
- how the organisational structure and procedures work
- complying with internal regulations
- internal control mechanisms in general
- monitoring finance, activities, impacts
- overview of implemented projects
- overview of co-operation with national and international organisations, the government

2.4 Finance management of the organisation

- responsibilities, competencies
- auditor's mission
- auditor's report
- board of directors' statements on the auditor's report
- analysis of the 3 last annual accounts (e.g. regarding structural clarity, separation of organisation's overheads from special costs of individual projects, self-financing share; indebtedness; liquidity)

3. Structures of grassroots organisation

(Provided that the addressees are involved in the project in an organised way, areas similar to those in the development organisation can be analysed here; but of course only those aspects may be adopted that are relevant)

4. Project analysis

4.1 Project concept

- project agreement, original plans
- concepts, development hypotheses for the project
- working principles (participation of addressees, gender, environment, ...)
- overall goals, project objectives, consistency of the system of targets
- indicators
- results aimed for
- planned activities

- risks
- structures, responsibilities
- procedures
- monitoring and evaluation
- assignment of staff (breakdown according to specialist and support staff, education and training, men and women, ...)
- material, equipment
- co-operation

4.2 Project implementation

(Generally: comparison of what was agreed (“TARGET”) with what is actually being done (“PERFORMANCE”); here, alterations made to the agreements in the meantime have to be considered)

- implementation of the planned activities (*relation to monitoring system*)
- achieving the results aimed for (*relation to monitoring system*)
- achieving the overall goals and project objectives (*relation to monitoring system*)
- conformity with the organisation’s mandate and working principles
- integrating women into project implementation
- how the M+E system works
- how the project structures and procedures work (assumption of internal responsibilities, link to finance management)
- material management

4.3 Project finance management

- actual income and expenditure
- how budget control works
- responsibilities for finance decisions, competencies of the project staff
- (in the case of project audits:) auditor’s mission
- (in the case of project audits:) auditor’s report
- (in the case of project audits:) comments on the auditor’s report
- (in the case of project audits:) analysis of project’s last 3 annual accounts
- (if available:) efficiency of the sub-operations

5. Impacts

(Generally: other comparisons can be made here, such as BEFORE-AFTER, WITH-WITHOUT, Benchmark, cf. Chapter 2.8)

5.1 Impacts at project level

- results *(Which services have been rendered? What are the immediate impacts?)*
- project objectives *(What changes has the project effected in the population – related to the impact contexts assumed in the planning stage?)*
- overall goals *(To what changes in the population - related to the impact contexts assumed in the planning stage – has the project partially contributed?)*
- unexpected impacts *(What changes has the project effected in the population that were not assumed in the planning stage? Or to what changes has it partially contributed?)*
- working principles of the project *(participation of the addressees, gender, environment,) (What changes has the project effected related to its working principles? Or to what changes has it partially contributed?)*

5.2 Impacts reaching beyond the project

- the organisation's impact on the project
- repercussions of the project on the organisation
- impacts of the project reaching beyond the project area

6. Conclusions

6.1 The project's relevance

(relation between 1. and 4.1)

6.2 External participation, consistency with addressees

(relation between 1./3. and 4.)

6.3 Internal participation, consistency with organisation and project

(relation between 2. and 4.)

6.4 Quality of management, consistency

(relation between 4.1 and 4.2/4.3)

6.5 Effectiveness of project

(relation between 4. and 5.)

6.6 Efficiency, economic efficiency of project

(relation between 4.3 and 5.1)

6.7 The project's significance

(relation between 1. and 5.1)

6.8 Influence of the organisation

(relation between 2. and 5.2)

6.9 Efficiency, economy and significance of the organisation

(relation between 2.4 and 5.)

7. Recommendations

(reference to the objectives of the evaluation; as accurate as possible and with mentioning of the addressees each recommendation is for)

Example: formulating the Terms of Reference (ToR)

This example shows some important aspects of what has to be settled before an evaluation is commissioned. But it lays no claim to completeness. The major relief organisations have much more diversified patterns.

Reasons for the evaluation:

The project was conceived as a pilot project to test new approaches in food counselling. In accordance with the common agreements between the project executing agency and the relief organisation, an evaluation is carried out towards the end of this pilot phase to examine how the project would be extended in the subsequent phase.

Aims of the evaluation:

- ↳ Together with the evaluation, a report is written that provides the project executing agency's board with an aid to decision-making regarding a more significant and at the same time more efficient project concept. The board of management is to take a decision on the new concept on January
- ↳ For the project executing agency and the relief organisation, this report represents a contribution to formulating the project policy on food counselling more precisely.
- ↳ The evaluation is to refer to approaches to possible counselling.

Areas to be evaluated:

Situation analysis (...¹)

1. Project analysis (...)

2. Impacts (...)

3. Assessments

- project relevance
- external participation, consistency with addressees
- quality of management, consistency
- effectiveness of project
- efficiency, economic efficiency of project
- project significance

¹ This example does not contain a detailed list of the various sub-items. The by and large complete list of "Possible areas of an evaluation" is contained above in this Annex; this list cannot be adopted completely. It is essential that a selection be taken from it.

Questions to illustrate the context:

In two workshops of the project executing agency and a working session of the aid agency, some questions have been gathered to which various groups of project members expect to obtain an answer via the evaluation. These questions lay no claim to completeness and consistency. They are aimed at illustrating the context for the evaluation team (cf. Annex not added in example):

1. questions from a workshop of a women's group
2. questions from a workshop of the project team
3. questions from a working session of the aid agency

Procedure and methods:

The evaluation team writes a report in the context of which the following surveys are made:

- review of the aid agency's files
- interview with the head of section ..., the specialised office staff member, the member of the general policy section ...
- interviews with project management and the board of the project executing agency
- checking monitoring data
- visits to project activities in ... and in three villages to be selected at local level, here data is gathered to describe the situation of the target group and for indicators for the targets and results
- 1 workshop each with the project team and representatives of the target group
- clarifying the roles: In this phase, the evaluators assume the competencies of the reviewers.

Requirements for the evaluators:

A team is compiled comprising a national and a German specialist. The German specialist heads the team. The team decides how activities are to be shared.

German specialist:

- subject specialisation: food projects, gender issues
- methodical competencies: data gathering
- knowledge of area
- sex: preferably female

National specialist:

- subject specialisation: food projects, grassroots projects
- methodical competencies: facilitating workshops

- origin: if possible not from the project region
- sex: preferably female

Report structure:

1. Executive Summary (approx. 3 pages)
2. Evaluation Report (approx. 50 pages following the structure of "Areas to be evaluated")
3. Recommendations (approx. 10 pages)
4. Annexes (all in-depth explanations, survey results)

The report is in English.

Mode of reporting:

- At local level, there are two visualised oral presentations of the evaluation results at least one day before departure: for the representatives of the target group and the project team, and for the board and management. These presentations serve the purpose of reviewing initial results and a reflection of the conclusions.
- In Germany, when the written report has been handed in, the team head and representatives of the relief organisation take about one day to jointly evaluate it.

Schedule:

preparations in Germany 10th calendar week

local surveys: 11th -12th calendar week

compiling and handing in the report: by the 16th calendar week

Budget:

1. Calculating the number of days required

activities	German specialist	national specialist
<u>work</u>		
preparations in Germany	5	
surveys/ activities at local level	14	14
compiling the report	5	5
final discussion	1	
travelling time in days	2	2
number of working days	27	21

2. Cost plan (German specialist)

Types of cost	Volumes	#
fees	27 days at # 500	13,500
⇒ travel expenses abroad		0
⇒ flat-rate per diem allowances	14 x # 50	700
⇒ flat-rate overnight accommodation allowance	14 x # 50	700
⇒ flat-rate ancillary travel expenses		300
⇒ air ticket (proof of payment required)		1,800
⇒ further costs (proof of payment required)	Up to # 500	500
domestic travel expenses		0
⇒ flat-rate per diem allowances	3 x # 20	60
⇒ flat-rate overnight accommodation allowance	1 x # 39	39
⇒ travel expenses (proof of payment required)	2 x # 200	400
		0
communications + photocopies, flat rate		300
unforeseen expenses (proof of payment required)	up to # 500	500
intermediate sum		18,799
VAT 16%		3,008
Total sum		21,807

3. Cost plan (national specialist): analogous; the individual volumes and sums may differ. The issue of value-added tax should be settled in advance!

The implementing agency bears the costs for workshops, photocopies and local travel expenses, for this evaluation is already considered in the project budget. If board and lodging has been provided by the implementing agency, it cannot be billed by the evaluation team.

4. Glossary

Addressees (of the project)	Those who are intended to benefit from the project; the beneficiaries; the "target group"
Activity:	Measure that is to be conducted to reach the results or targets (cf. Chapter 1.4)
Grassroots organisation:	<p>Organisation of the project's addressees, e.g.</p> <ul style="list-style-type: none"> • village community • parish community • women's group <p>(cf. Chapter 1.1)</p>
Effectiveness:	The effect the activity has, the sum of all effects. "Are we doing the right thing?" (Do our results make sense?)
Efficiency:	<p>The sum of effects in comparison to the total effort</p> <p>"Are we doing things properly?" (Are we employing our means and resources in the right way?)</p>
Development organisation:	<p>An organisation that holds local responsibility for project implementation, such as a</p> <ul style="list-style-type: none"> • national NGO • church • welfare organisation <p>(cf. Chapter 1.1)</p>
Result:	<ol style="list-style-type: none"> 1. a sub-target that the project is responsible for 2. a product or a service that the project has to provide for its addressees so that the desired effects occur (above all in ZOPP) <p>(cf. Chapter 1.3)</p>
Evaluation:	<p>Process of systematic and critical review of an operation with the aim of adapting strategy and planning to circumstances, e.g. decisions on organisational targets, on the form and content of the supported projects, on the appropriateness of structures and co-operation schemes. Just like monitoring, evaluation contains the three steps <i>seeing - thinking - taking action</i>, although it is more fundamental and rarer than monitoring.</p>
Funding agency:	<p>Organisation supporting and co-financing project implementation, e.g.</p> <ul style="list-style-type: none"> • aid agency • non profit-making association

	<ul style="list-style-type: none"> • development campaign group
	(cf. Chapter 1.1)
Indicator:	Exemplary, concrete description of a characteristic a condition has (cf. Chapter 1.2 Problem indicators, Chapter 1.3 Target indicators)
Logical framework:	Planning structure for objectives/activities, indicators, sources of verifiability and assumptions. “Logframe” was the predecessor of ZOPP, and in ZOPP, it is only the 2 nd phase after the analysis phase.
Monitoring	Process of systematic and critical review of an operation with the aim of checking the operation and adapting it to circumstances; the emphasis is on a continuous observation of indices, although monitoring comprises the three steps <i>seeing – thinking – taking action</i> .
Overall goal:	Condition to be reached in the future to which the project is going to make a contribution
	(cf. Chapter 1.3)
PIM:	“Participatory Impact Monitoring”, a method for monitoring changes and impacts that is especially suitable for grassroots and development organisations. PIM is oriented on enhancing self-guidance and triggering learning processes; it has a strong impact on the situation analysis and on project planning.
PRA:	“Participatory Rapid Appraisal”, a method for situation analysis by the groups affected that raises perception and triggers learning processes, flows into project planning and is an important element in impact monitoring by the project addressees
Problem:	a condition existing in reality that is regarded as negative and requires a change (cf. Chapter 1.2)
Project objective:	A condition in the future that can be achieved by a certain project
	(cf. Chapter 1.3)
Risk:	A condition that calls the attainment of the project objective into question; it is reformulated as a positive attribute referring to the necessary framework conditions, the “important assumptions” in ZOPP (cf. Chapter 1.5)
Terms of Reference:	The ToR represent the specifications the evaluators have to observe.
Impacts:	Changes that have been brought about by a certain intervention; hypotheses have to be formulated on the cause-and-effect relationships
Impact hypotheses:	Assumptions on certain cause-and-effect relationships, e.g.:
	<ul style="list-style-type: none"> • <i>Since the maize yields are low, the farmers’ income is also low (problems)</i>

- *If the maize yields grow, the farmers' income will also grow (goals).*

In project planning, this will result in a target-means structure, e.g.

- Activities yield results.
- Results effect the attainment of goals.
- The attainment of goals contributes to achieving the overall goal.

This is frequently represented in a problem tree and a goal tree (cf. ZOPP publications) in which cause-and-effect chains are established that branch out more and more towards the causes.

The impact matrix is an alternative representation. Here, a number of characteristics of the context are assessed in terms of whether they are influenced, neutral or influencing factors.

If the changes observed in the project environment are in an anticipated cause-and-effect relationship with the project goals and activities, it can be assumed that they are effects that the project has had. However, this cannot be proven.

(cf. Chapter 2.2)

Target:	Any desired condition that is to be reached in the future (cf. Chapter 1.3)
ZOPP:	“Goal-oriented project planning”, a project planning procedure that was developed by GTZ and has been adopted in development co-operation throughout the world, increasingly also among Southern NGOs. It incorporates an analytical phase in which detailed impact hypotheses are formulated and the foundations for systematic monitoring are created; in the second phase, a logical framework is established.

5. Further reading

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