Defining the Type of M&E System: Clients, Intended Uses, and Actual Utilization

Bertha Briceño

This note characterizes various types of monitoring and evaluation (M&E) systems, including examples from three government-based systems in Latin America: Mexico, Colombia, and Chile. The characterization outlined here ranges from completely outside independent bodies, to strongly centralized government systems, to highly decentralized systems. Each type of system has different advantages that result from the interplay of demand and supply forces: on the supply side, actors produce M&E information for a variety of intended purposes, the demand responds with actual utilization, revealing the real incentives of the systems’ clients. In addition, strategies are presented to mitigate potential disadvantages of the different types of systems.

As countries are increasingly expressing a need for M&E support, this analysis should help champions and task team leaders identify suitable opportunities for their particular context; identify and understand the forces that drive the creation of new M&E units and bodies; and better understand the tradeoffs involved.

Who Produces M&E Information and Why

A good starting point is to ask who conducts M&E activities, and for what purpose, in order to later draw lessons relevant for the design of new M&E units. Development banks, bilateral aid agencies, independent organizations, academia, and, overall, governments, are closely involved in the M&E of development programs. Development banks and bilateral aid agencies often use M&E to measure development effectiveness, be accountable to donors and stakeholders, and to demonstrate transparency. Academics, typically through centers affiliated with economics and public policy faculties, conduct very rigorous studies with a knowledge-generation focus in the field of development economics. Academics also often intend to influence policy, although less directly than governments.

In general, governments carry out significant M&E activities as a way to increase program effectiveness and improve resource allocation. Government-based systems typically serve internal clients from the executive branch, such as planning and budget offices; central units within ministries or agencies in charge of planning and budget; and, in some cases, special evaluation units. All of these government units commonly use the M&E system as a tool to improve the efficiency and effectiveness of resource allocation, with a sort of centralized control approach.

Three government-based systems in Latin-America, CONEVAL from Mexico, SINERGIA...
from Colombia, and DIPRES from Chile are presented as examples (see box 1).

Internal clients also include executing or implementing agencies in governments and task team leaders in development banks. They are generally more interested in revising processes, changing and improving practices with a results orientation, generating visibility for the projects, and responding to constituencies and managers with concrete information.

Efficiency and effectiveness of resource allocation are also main focuses of internal clients from bilateral aid agencies and development banks, such as boards of donors and directors, internal evaluation units, and sector/regional managers.

In terms of external clients of government-related M&E systems, there is potential for use by congress and civil society, which are interested in fostering transparency, accountability, and social control. On the other hand, M&E activities that development banks and donors carry out have as external clients policy makers, client governments, legislative bodies, and constituencies in general. Table 1 presents a simple classification of main clients and their corresponding usage focus.

Types of M&E Systems and Intended Uses

The majority of the M&E bodies for development programs strive for independence, transparency, autonomy, credibility, usefulness and ownership, among other qualities.

In theory, an ideal M&E system should be independent enough to be externally credible and socially legitimate, but not so independent to lose its relevance. The M&E system should be able to influence policy making by ensuring adoption of recommendations informed by lessons learned, and it should be sustainable over time and through government transitions, because this system is perceived as responsive to the needs of clients and useful to its main stakeholders.

The M&E bodies are different in their nature and predominant incentives: institutional arrangements range from independent external bodies, to strongly centralized government systems under budget authorities, to highly decentralized government system.

Independent, external body: transparency and social control emphasis

When transparency, social control, and accountability are the main drivers of M&E activities and there is a strong emphasis on independence, creation of outside independent bodies is appealing. Location outside the government and independent financing provide for the possibility of freely making assessments without any improper influence. The M&E body enjoys a high degree of independence that ultimately reinforces external credibility.

Examples of these types of M&E bodies include donor and civil society initiatives, independent oversight institutions, and think tanks. Some examples of bodies that fund or carry out M&E activities on their own are Transparency International, the International Initiative for Impact Evaluation (3ie), the Center for Global Development, and the Bogotá Cómo Vamos initiative in Colombia. The disadvantage of an external body is that it may lack adequate access to information, insight, and contextual knowledge. These bodies often rely on building a long reputation of independence and nonpartisanship to influence policy making. Transparency and accountability use might be easier for an independent M&E body. However, influencing policy remains a significant challenge for such bodies (whether in academia or donor-financed entities).

Government-owned M&E system in a centralized fashion: management or control tool

When the M&E system is housed in the government’s center (budget, central authority, planning, presidency, or internal control office), it usually serves as a tool for management or for budget control. Under central budget authorities, M&E is often used to control efficiency and/or efficacy of resources, and as such, the M&E body usually enjoys considerably more power to enforce the recommendations resulting from M&E assessments. In the extreme enforcement version the M&E body has direct power over the evaluation agenda and enjoys a prominent position and support from congress. This is the case of DIPRES in Chile. Location under the budget authority presumably also provides better integration of M&E into the budgeting and executing stages of the public policy cycle.
Box 1. Main Features of Three Government M&E Systems: CONEVAL, DIPRES, and SINERGIA

**Mexico: The National Council for the Evaluation of Social Development Policies (Consejo Nacional de Evaluación de la Política de Desarrollo Social [CONEVAL])**

CONEVAL was created in 2004 as part of the Social Development Law and financed through a direct budget line in the national budget. CONEVAL was established with a double mission: to measure poverty and to evaluate all social development policies and programs at the federal level. CONEVAL is headed by an executive director and belongs to the executive branch through the social sector, but has technical and managerial autonomy. It is governed by an executive board of six independent academics, the Minister of Social Development, and its own executive director.

In a decentralized setting, CONEVAL sets standards and guidelines for the evaluations of federal government programs that the federal agencies commission themselves. There are approximately 130 federal programs under the mandate of CONEVAL, all of which are required to carry out logframe-type evaluations. In addition, CONEVAL directly oversees about 15 evaluations per year under the Annual Evaluation Plan (*Programa Anual de Evaluación* [PAE]). The PAE is defined jointly by CONEVAL, the Ministry of Finance, and the Public Comptroller’s Office.

**Colombia: The National System for Evaluation and Management for Results (SINERGIA)**

A mandatory government development plan should guide every new administration in Colombia. In this context, Law 152 of 1994 explicitly assigned to the National Planning Department (NPD) the mandate to plan, design, and organize a system for evaluation and monitoring of performance-based management in the public sector. NPD is a long-standing administrative department organized in technical units or directorates. Within NPD, the Directorate for Evaluation of Public Policies (DEPP) assumed the promotion of the national M&E system, which became known as SINERGIA (*Sistema Nacional de Evaluación y Resultados de la Gestión Pública*). DEPP is one out of ten technical directorates in NPD and is headed by a technical director, responding directly to NPD’s deputy director and general director, who have the status of minister and vice minister, respectively.

DEPP’s main activities involve administration of the governmental system of goals (Sigob), which includes goals for every sector and ministry, and management and commissioning of evaluations of major governmental programs. Currently the system includes approximately 600 goal indicators across sectors, and more than 30 evaluations have been completed.

**Chile: The Management Control Division at DIPRES**

In Chile, DIPRES is in the budget department of the Ministry of Finance. Within DIPRES, a special unit, the Management Control Division, leads the system for evaluation and management control. Since the early 1990s, the evolution of the management control system has been a long-standing effort of the Chilean government under the strong leadership of successive budget directors.

The overall goal of the unit is to contribute to the efficiency of allocation and utilization of public spending, contributing to better performance, transparency, and accountability. The Management Control Division is one of the four divisions and two subdirectorates that constitute the DIPRES.

The head of the Management Control Division reports directly to the budget director under the Minister of Finance. The Budget Directorate is accountable to the Congress.

Four areas of work have been developed and reinforced since the early 1990s: evaluation of programs and institutions, instruments for monitoring and supervision, institutional salary incentive mechanisms, and the public management modernization fund.

For the 2010 budget, 150 governmental institutions adopted approximately 1,200 performance indicators, and there are 28 ongoing evaluations of institutions and programs.

*Source: Compiled by author.*
<table>
<thead>
<tr>
<th>Governments</th>
<th>Internal clients</th>
<th>External clients</th>
<th>Development banks, aid agencies, especially evaluation bodies</th>
<th>Internal clients</th>
<th>External clients</th>
<th>Academia</th>
<th>Internal clients</th>
<th>External clients</th>
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<tr>
<td></td>
<td>Executive: planning/ budget/ presidential ministries</td>
<td>Managers in implementing agencies/ministries</td>
<td>Multilateral donors</td>
<td>Managers</td>
<td>Civil society</td>
<td>Academia and scientific communities</td>
<td>Policy makers, nongovernmental organizations, donors, international organizations</td>
<td>Knowledge generation in economic development</td>
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<td></td>
<td>Internal central units in agencies/ministries (planning/budget units)</td>
<td>Revising processes</td>
<td>Congress</td>
<td>Task team leaders</td>
<td>Focus on transparency and accountability</td>
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<td></td>
<td>Control/improve efficiency and effectiveness of resource allocation</td>
<td>Improving managerial practices with a results orientation</td>
<td>Civil society</td>
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<td></td>
<td>Control implementation of national policies</td>
<td>Program management and staff or institutional management</td>
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<td>Feedback into policy/budget decision making</td>
<td>Respond to constituencies with concrete information</td>
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<td>Feedback into planning</td>
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Source: Compiled by author.
On the other hand, when M&E activities are mainly intended to serve as managerial tool, a coordinating central body can be placed outside direct budget authorities to avoid a force-fed approach. The body seeks managerial buy-in and ownership and expects voluntary adoption of recommendations. For this, the M&E body invests highly in consultations, in demonstrating the benefits of evaluation as a managerial tool, in capacity-building activities, and in establishing a favorable cultural climate for M&E. Both Colombia’s SINERGIA and Mexico’s CONEVAL regularly carry out capacity-building and dissemination activities to promote a results-oriented management culture.

Some of the advantages of the centralized M&E agency include more authority to prioritize key programs to be monitored and evaluated when resources are limited; the ability to pursue recommendations that affect multiple agencies or the whole government; the ability to pursue standard practices, best practices, and quality methodologies; the possibility of maintaining specialized technical staff for support (which individual agencies may not be able to afford especially in the beginning when the volume of M&E activities is low); more opportunities for generating synergies for learning and economies of scale in data collection; reducing duplication of efforts; and maintaining an institutional memory of M&E practices.

Government-owned M&E decentralized system: full ownership by agencies
In the extreme decentralized version, the agency that runs the program also conducts the M&E activities to improve its own performance, rather than reporting to a central entity or authority. The advantages are in-depth contextual knowledge and better access to data and disclosure. Since M&E activities are largely dependent on the quality and availability of internal information produced by the programs and on their willingness and capacity to generate primary data or recover information on beneficiaries, the agency has many incentives to produce and use the best input information, and internally use the results.

Some disadvantages of the completely decentralized arrangement are less standardization in methodologies and practices leading to more heterogeneous quality and rigor in M&E products; limited coordination across sectors; fewer opportunities for best practice sharing; and the need for maintaining its own technical expertise. Some may argue that the separation between evaluator and executor is less clear, which may increase the potential for undue interference, but in theory this should not be the case if the use is mainly internal and the true motivation is improving self-performance rather than reporting.

Supporting strategies
Some of the potential risks of the different types of M&E systems could be mitigated through various supporting strategies or complementary institutions, such as the following:

Key alliances. In the government systems analyzed, support from congress, fluid communication, and promotion of alliances with government central authorities are common strategies used to overcome weak enforcement powers and to promote adoption of recommendations in reluctant sectors. Examples of these alliances include CONEVAL with the Ministry of Finance and SINERGIA with the Presidency Office. In Organisation for Economic Co-operation and Development countries, such as Canada, Australia, the United States, and the Netherlands, the support provided by the national audit offices has been considerable: they have helped by reviewing (via efficiency audits) the planning, conduct, and use of M&E in the executive government; by publishing good practice guides on these issues; by analyzing the quality of department/agency data and data systems; and by using their influential and prominent position to advocate the merits of M&E. Alliances with national statistical offices, although not pursued so far, could become important as well.

Financial independence. The ability of the coordinating agency to influence policy and adoption of recommendations as well as set an evaluation agenda can be enhanced with strong legal support (CONEVAL), a permanent budget line, or by using the agency’s own financial resources to carry out the M&E activities (DIPRES). In contrast, when resources for M&E activities come out of the program’s budget, have to be earmarked in loans, and in general, resources depend highly on buy-in and voluntary adoption, then the agency could end up neglecting precisely the programs and sectors most in need of monitoring and evaluation.

External contracting. When M&E systems are contracted out to consultants, firms, or research
centers and use competitive, open procurement processes, it increases legitimacy and independence and reduces potential conflict of interest between evaluators and managers. DIPRES in Chile and SINERGIA in Colombia are good examples of systems using external contracting.

**Hybrid governance.** A good example of a highly independent M&E body that still belongs to the government is the case of CONEVAL. Although it belongs to the executive branch through the social sector, it enjoys technical and managerial autonomy greatly supported by a particular governance structure: an executive board of six independent academics, the Minister of Social Development, and its own executive director.

**Quality-control mechanisms.** It is believed that the higher the buy-in of M&E by the agencies, the better the insight, quality, and completeness of information provided by the programs for M&E will be. However, in centralized settings, the M&E body can seek higher quality and more reliable input information from the executing agencies through the establishment of control mechanisms, such as external verification, audits, or alliances with internal control offices as well as with national auditing and statistic offices.

**Public disclosure.** The principle of openness refers to making the evaluation process as transparent as possible and the results widely available. Far-reaching laws regarding public information access have been recently introduced in various countries and indirectly support the M&E system disclosure ability (such as in Mexico and Chile). The risk of lack of autonomy to disclose M&E information when the system is located under an executive authority can be mitigated with other provisions such as a long-standing tradition to public disclosure. SINERGIA’s evaluations exemplify limited public disclosure, as well as the absence of a broader public information law.

**Academic rigor.** Evaluations conducted externally by researchers and academia affiliates often undergo additional quality filters established by the academic community. They can also easily support capacity-building activities. Peer reviewing, screening in seminars, and the process of publication all contribute greatly to ensure rigor and quality in findings (for example, SINERGIA and CONEVAL). These important advantages may come at the cost of immediate usefulness if dissemination in accessible language is neglected. In the extreme, evaluation blends into pure research, and although the generation and use of research has been extensively and formally studied, the essence and rationale behind the two are very different.

**Capacity building and standardization.** Capacity building and standardization are always important, but become even more so under highly decentralized settings, when a considerable volume of M&E activities is reached or has been mandated, and when agencies are devoting significant financial and human resources to M&E (CONEVAL).

**Revealed Demand: Actual Utilization of M&E Information**

M&E information can serve multiple purposes: feeding back into policy and budget decision making and national planning; improving policy analysis and policy development; helping in managerial activities such as program management and staff or institutional management; enhancing transparency and accountability; and many others (Mackay 2007, 9). The usual yardstick of success for the M&E system is the degree of utilization of the information produced; almost all existing M&E bodies highlight the importance of utilization. Utilization can also be thought of as one major determinant of sustainability. The Development Assistance Committee (DAC) principles for evaluations state: “for evaluations to be useful, they must be used” (OECD-DAC 1991). Utilization is a prerequisite for financial sustainability, why fund costly M&E tools or evaluations if they are not used?

Defining measures of successful performance is not easy. Two dimensions have been commonly explored (table 2): the first dimension, coverage, is a measure of the extent of the evaluation practice in relation to a reference value or universe, usually the proportion of the budget evaluated, that is, the value of the programs that have been evaluated to the total budget amount, or the number of programs evaluated in relation to a multiyear agenda, or the number or programs in a programmatic classification of the budget. The second dimension is consensus on the need to follow-up on recommendations, commitments, and action plans derived from M&E activities. This can include simple measures from the number of alerts derived from monitoring, number of recommendations from evaluations that are
actually adopted, to more demanding measures such as the proportion of the recommendations implemented over the total number of recommendations formulated.

Finally, in terms of final goals of the systems, namely improving quality and efficiency of public expenditure, no indicators have been clearly established to measure these outcomes or attribute these to the effect of the M&E systems. There are, however, a small number of reviews of individual evaluations that examine the extent of M&E utilization and measure their cost-effectiveness. Such reviews could be conducted on a more systematic basis to help measure an M&E system’s overall cost-effectiveness, although cost and the typical delays between conducting an evaluation and measuring its impact would make this problematical.

Measures on other dimensions, such as transparency and perception of accountability by citizens resulting from well-performing M&E

<table>
<thead>
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<th>Table 2. Tracking Utilization of M&amp;E Information</th>
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<tr>
<td><strong>Coverage</strong></td>
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<tr>
<td>• Proportion of budget evaluated/monitored</td>
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<td>• Budget of evaluated or monitored programs over total budget amount</td>
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<tr>
<td>• Number of programs evaluated or monitored over multiyear agenda</td>
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<tr>
<td>• Number of programs evaluated or monitored over number of programs in programmatic classification of budget</td>
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<tr>
<td><strong>Utilization</strong></td>
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<tr>
<td>• Follow-up of recommendations, commitments, and actions plans derived from M&amp;E information</td>
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<tr>
<td>• Number of changes derived from evaluations</td>
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<tr>
<td>• Number of alerts generated from monitoring</td>
</tr>
<tr>
<td>• Number and list of recommendations adopted</td>
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<tr>
<td>• Recommendations prioritized and adopted</td>
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<tr>
<td>• Recommendations implemented/total number of recommendations formulated</td>
</tr>
<tr>
<td>• Transparency/accountability</td>
</tr>
<tr>
<td>• No measures associating transparency or accountability with information from M&amp;E systems</td>
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<tr>
<td><strong>Improving quality and efficiency of public expenditure and influencing budget allocations</strong></td>
</tr>
<tr>
<td>• No applications</td>
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<tr>
<td>• Changes in budget/resource allocations resulting from utilization of M&amp;E findings by congress</td>
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<tr>
<td>• Correlation with changes in budget or other resource allocation</td>
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<td>• Public good/ applied research (for most rigorous studies)</td>
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<tr>
<td>• Scientific production (number of citations and publications)</td>
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<td>• Use of public datasets (citations, derived academic and policy research)</td>
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*Source: Compiled by author.*
systems, have not been explored. If the system is also intended to influence budget allocations, further utilization measures could include the change in allocations as a result of utilization by budget and congress, or more indirectly, correlation measures with changes in resource allocation. There is a mechanism in the Republic of Korea whereby the budget allocations of programs that fail to reach their performance targets by a specific margin are automatically cut. Some attempts on using this potential measure examine the correlation between evaluation results and the growth in the budget of evaluated programs (Kim and Park 2007, 2008). Finally, for the most rigorous evaluations, usage could also be measured in terms of the standards for scientific production (that is, citations and publications).

One of the strengths of the Chilean system is that it maintains very specific information regarding program changes and it monitors the extent of recommendations derived from evaluations. Since the standardized terms of reference provide for the production of specific recommendations, these recommendations serve as a basis for establishing institutional commitments that are later closely monitored by DIPRES.

The 2008 report by DIPRES is a good example of the use of M&E information: between 2000 and 2008, 174 programs were evaluated under the governmental program for evaluations and impact evaluations. There is a classification of changes derived from recommendations with five categories presented in figure 1. Between 1999 and 2007 there were more than 3,500 commitments derived from recommendations, around 500 annually in the early years and less since 2006. Out of these, 82 percent were fulfilled, 11 percent were partially fulfilled, and 6 percent have not been fulfilled.

It is generally accepted that DIPRES M&E information is highly utilized in budget analysis and decision making, in imposing program’s adjustments, and for reporting to Congress and civil society. However, managerial usage or ownership from the head of programs has been limited, given the centrally driven nature of the system and the perceived absence of incentives for the agencies to engage in their own evaluations (Mackay 2007, 29).

In Mexico, CONEVAL issued in late 2008 the policy Mechanism for the Follow-Up of Aspects Subject to Improvement to establish a general procedure for tracking aspects of improvement derived from the desk review evaluations (evaluaciones de consistencia). Aspects to improve are classified according to involvement of different parties: some aspects are under direct control of the program, while others involve attention of various units within an agency, various agencies, or require attention of different government levels. In addition, the sector agencies themselves classify those aspects as high, medium, or low priority according to their contribution to the program’s goal. For the 2008 budget, 101 programs with rapid evaluations were included in the tracking system, with 930 aspects to improve. Out of these, 70 percent were aspects considered to be under direct control of the program (CONEVAL 2008a, 2008b, 2010).

SINERGIA’s utilization focus has been on the operations and management of programs, since evaluations are typically conducted with voluntarily involvement of sector ministries/agencies, in contrast to the Chilean model. President Uribe was a powerful champion of M&E information in Colombia. He demanded intensive use of goals and indicators, especially during his first administration (OECD-DAC 2008). The downside is the limited use from budget authorities and Congress. Recently, the system has given attention also to tracking commitments from recommendations derived from each evaluation.

In sum, M&E system utilization assessments have so far included proxies of coverage, client satisfaction surveys (the World Bank’s Independent Evaluation Group carries out annual surveys of key audiences within and outside the Bank), evidence on adoption of recommendations and commitments (CONEVAL and DIPRES), and some anecdotal evidence (SINERGIA). Although more work remains to be done, M&E systems utilization is beginning to be addressed more systematically.

**Final Remarks**

M&E capacity building deals with the development of successful M&E systems: systems that are sufficiently independent to be externally credible and socially legitimate; systems that influence policy making and are sustainable over time; and systems that are responsive to the needs of clients and main stakeholders. As more countries are thinking of establishing M&E systems, lessons from other countries’ experiences can be extremely useful. Specific circumstances shape the evolution and focus of each system, and no
recipe should be exported in a naïve manner to other countries. However, an explicit strategy to support the development of new M&E systems should start by identifying the country preferences; clearly defining the clients and the main role for the M&E body; and determining how to track performance of the M&E system.

Acknowledgment

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Endnotes

1. In the Colombian institutional context, social control refers to the use of constitutional participatory mechanisms that enable control of the state; trust and efficacy of the entities designed to control the state—Congress, Fiscalia, or the media; and the accountability mechanisms of those elected in office (Sudarsky 2008).

2. Some examples of principles are the OECD-DAC Quality Standards (2010), the principles of the Agencia de Evaluación from Spain (Ministerio de la Presidencia...
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