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MONITORING AND EVALUATION IN A DIGITAL ENVIRONMENT

An analysis of a centralized approach to M&E for improving effectiveness of Social Sector projects, implemented through Digital Technologies

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Monitoring and Evaluation to improve effectiveness of Social Sector Projects

MONITORING AND EVALUATION ON THE CUSP OF TRANSFORMATION

Monitoring and Evaluation (M&E) has been crucial for social sector projects where it is implemented with an intent to track project performance in achieving the intended outcomes. Operationally, the M&E process is often treated as part of support activities to the overall project delivery. Under this traditional approach, most of the M&E activities are around indicator selection to enable reporting per donor preferences.

However, in recent times, the interest in M&E has expanded beyond the donors, as multiple stakeholders (like the beneficiaries, communities, government bodies) are keen to track the M&E indicators that can not only measure the progress of these projects but also assess the impact on both the beneficiary level and the overall social sector.

This deepened focus on M&E has engendered a discussion around the current M&E practices and systems, and the need for transformation in this space. Additionally, with the advent of the digital economy and open data architecture, technology has a crucial role in shaping the M&E landscape. A potential future state of this transformation is a centralized approach to M&E that can effectively leverage a digital ecosystem.

In this paper, the key factors driving, as well as the barriers limiting this transformation will be discussed.

CENTRALIZING M&E TO ENABLE STANDARDS AND STRUCTURES

The traditional approach of positioning M&E as an important but ancillary component of a project has led to siloed implementation practices, with a focus on immediate donor expectations. This approach doesn't lend itself well to impact analysis at the macro level, as there are rarely any opportunities to meaningfully aggregate data around indicators. Further, the current data handling is often done through paper records or MS Excel files – a highly inefficient solution given that a single indicator with basic disaggregation by age and gender – can potentially produce more than 12,000 data points.

A centralized framework that directs the M&E implementation both at the operational level (project/donor-specific) and at the strategic level (institutional/global strategy) can enable a more structured approach to M&E. The design of this framework can be achieved through nested Results Frameworks that organize the programmatic and institutional goals, such that its results can influence the priorities of various stakeholders, leading to a collective impact on the society. One such design for an implementing organization like an INGO can be a global framework that can incorporate the INGO's global strategy, while also managing frameworks at project/programme level that are aligned to the frameworks of the individual donor organizations and government agencies.

Enabling this centralized framework requires organizations to undertake transformational changes in their M&E practices, covering three key areas: standardization, capacity building, and the introduction of digital technologies. Given the transformational scope of shifting to a centralized M&E, a Force Field Analysis is presented below.
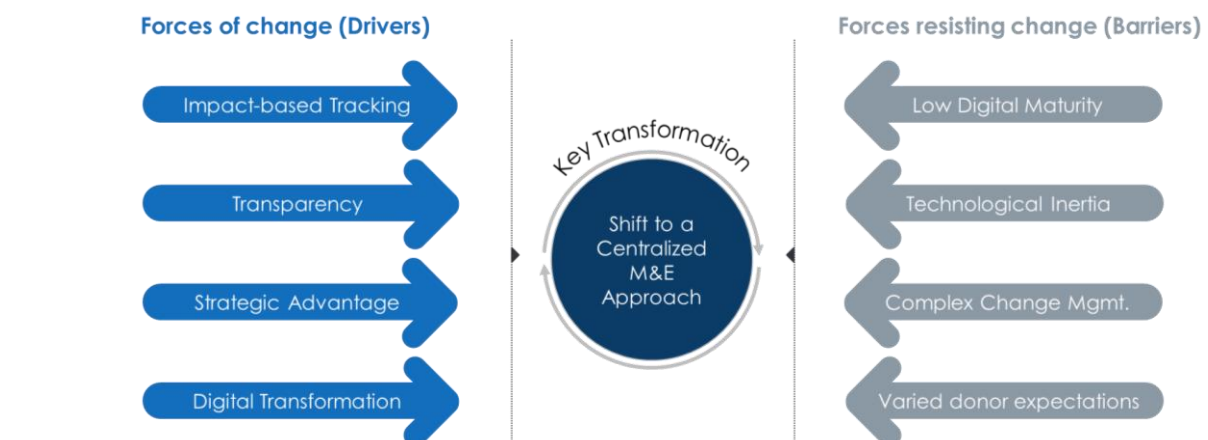
DRIVERS OF TRANSFORMATION

Impact-based Tracking

With rising ambition of what we can achieve through global efforts for human welfare, the scope for humanitarian projects has increased and become more complex with:

- Multiple funding streams

- Multi-country regulatory and compliance requirements

- Corporate governance requirements for NGOs and other implementing organizations

Specifically, for the funding model, there has been a significant shift from a donation-based funding to a more grant focused model, requiring better management of donor expectations.

While donor organizations and government entities have always required stringent expenditure tracking from NGOs, the tracking for humanitarian projects has seen a shift in purpose: from "*What activities have consumed the aid resources*" to "*What impact has been achieved through the aid resources*".

Transparency

A direct consequence of impact-based tracking is a need for greater transparency in social sector projects – in terms of their operations, results and eventual impact. This increased need for transparency has not only influenced how the donors assess humanitarian projects funded by them (leading to an increased focus on M&E) but has also led to growing awareness to understand the collective impact of the global humanitarian efforts, leading to campaigns like the International Aid Transparency Initiative (IATI).

IATI is a global multi-stakeholder initiative to create transparency in the records of how aid money is spent. The key motivation of this initiative is to ensure that aid money reaches its intended recipients. IATI maintains a meta-data standard (IATI standard), to support the publishing of data on development cooperation activities, intended to be used by all organizations in development, including government donors, private sector organizations, and national and international NGOs.

Strategic Advantage

Beyond the need to support IATI standard, a centralized approach M&E can be an effective strategic tool for any international organization. The M&E focus can help development organizations realize their performance in individual impact areas or thematic areas. As aid related reporting gets impact-focused, the organization's performance in individual impact areas can help them align their funding to impact areas that align with the organization's global strategy.

Data-first culture in Digital Economy

In today's knowledge-driven digital economy – the prime significance of data is indisputable. Since Web 2.0 the production of data has been increasing globally at an unprecedented rate, and much of technology innovations have focused on managing and extracting value from this data. As a centralized approach to M&E is a data-intensive undertaking, the non-profit sector stands to gain from mature digital solutions for data management that have been tried and tested across industries. Avasant has advised leading development organizations, guiding their transformation to a digital enterprise with a future state similar to the one elaborated below:
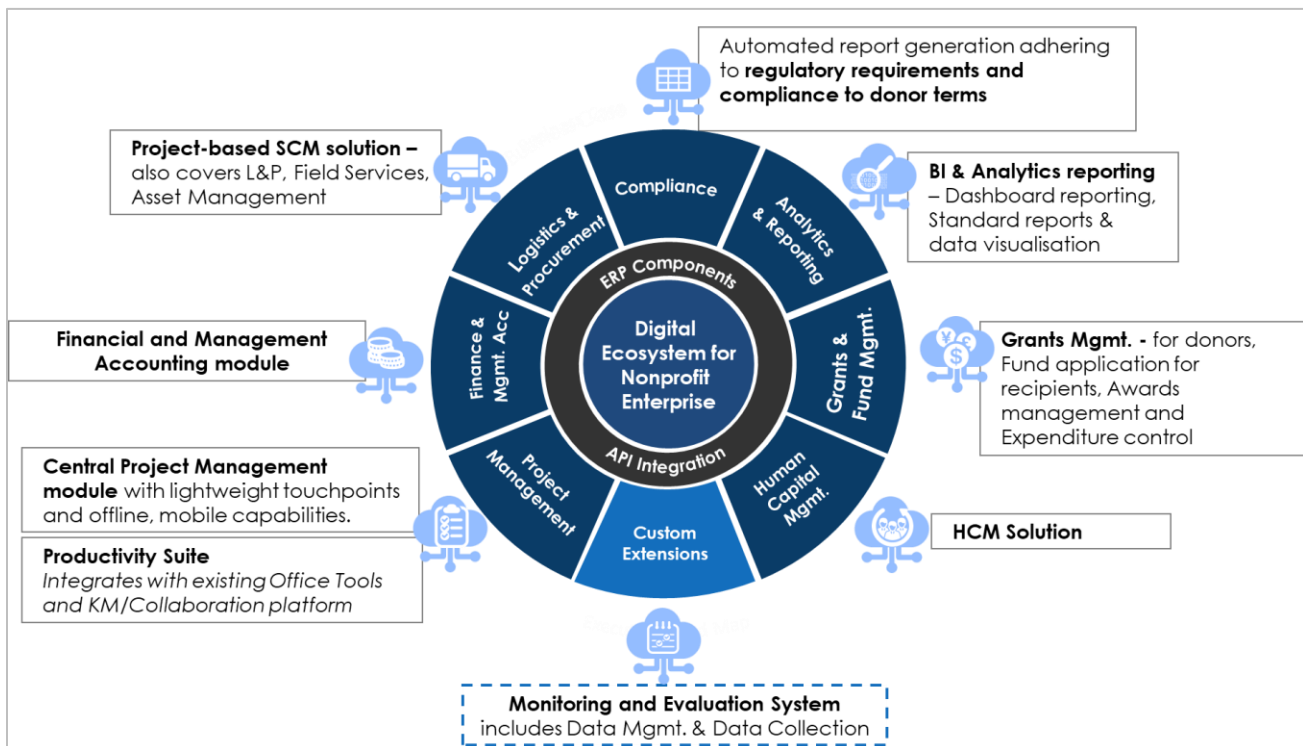
Though the technology solutions designed for the Nonprofit sector are relatively nascent, last five years have seen an uptick in technology investments in the non-profit sector and M&E focused software solutions have gained traction as a result.

BARRIERS TO TRANSFORMATION

With the key drivers that warrant a centralized approach to M&E that effectively leverages digital technology adequately established, it is important to recognize the current barriers to this transformation and how development organizations may address them.

Low Digital Maturity

If we look at leading INGOs – who have significant reach in both communities and the donors across the globe, their current M&E implementations are mostly siloed and underutilized technology. As a result, a meaningful aggregation of M&E data has been a common challenge.

A recent research survey, conducted by Avasant, to assess the M&E practices of seven leading INGOs brings out low digital maturity as a key barrier to implementing a centralized M&E framework. The table summarizes the key findings.

Organization	M&E tool used	Data collection tool used	Analytical and reporting tool used	Avasant M&E Digital Maturity Rating
An INGO with country offices in 80 countries	Some customizations were attempted in central ERP system to support M&E – which has not been successful	No standard set of data collection tools	• MS Excel • Donor-funded BI and reporting tools (limited projects) • SAP BI (limited usage)	Low-Medium
A major non-profit group, working in more than 90 countries	No global M&E tool is being used currently	No standard set of data collection tools	• A custom tool with limited capability for M&E data analysis • A grant tracking tool (CC Grant Tracker)	Low-Medium
An INGO working with communities	No global M&E tool is being used currently	No standard set of data collection tools	A knowledge sharing platform – used for uploading pre-analysed	Low-Medium

in over 45 countries			M&E results on annual basis. The tool can perform basic trending	
An international development organisation, with operations in 14 countries	No global M&E tool is being used currently	ODK tool kit (limited adoption)	MS Excel	Low-Medium
A non-profit corporation serving more than 90 countries.	Digital online database *Status*: • Live (global roll-out took 3 years) • Operational issues	Data collected through mobile devices and stored in a central server (in US)	M&E tool supports dashboards for project-level reporting	Medium
A global humanitarian aid, relief, and development, organization covering over 40 countries	An MIS based in DHIS 2 platform *Status*: on-going global roll-out (started in 2016)	Multiple tools for data collection, including: Magpi, Commcare, SurveyCTO	• Spreadsheet connector Utility for data aggregation and pre-calculations • DHIS2 Analytics	Medium-High
An INGO engaged in over 50 countries	A set of ICT tools are being leveraged to aid monitoring and evaluation *Status*: Live, with ICT solutions for M&E introduced in 2011	• DDG (Digital Data Gathering) • Zerion iFormBuilder	• Zoho Reports	Medium-High

As can be inferred from this survey, while there has been an uptick in technology adoption in the M&E space, technology is leveraged only at a tactical level (primarily for data collection) that too with limited success. Both the approach and the digital solutions aimed at effective M&E implementations have a significant room for improvement.

> *Development organizations need to adopt a mature technology sourcing strategy to realize the full potential of market-ready digital solutions in the M&E space. A tactical approach to technology adoption may bear some quick results but fails to synergize the technology investments at a strategic level.*

Technological Inertia

Based on the digital maturity survey, another obvious but important inference is that while most development organizations acknowledge the significance of centralized M&E implementations that strategically leverage current technology solutions, their implementation is yet to gain any real-world success to encourage rapid adoption. Further, the procurement and implementation of M&E technology at most INGOs have not been governed by a coherent global strategy, leading to operational issues and poor user experiences. This has impeded the adoption of technology, especially from the field staff and country offices who also struggle with related capacity and training issues.

> *As the M&E transformation drivers gain momentum, any apprehensions about technology adoption need to be actively dispelled.*
>
> *Apart from adequate training, the technology solutions and their deployment need to align to the unique needs of the Nonprofit sector, like:*
>
> - o *Offline capabilities for specific features as needed by the field staff*
>
> - o *Lighter touchpoints through a user interface designed for Non-IT users*
>
> - o *Management of user expectations in terms of what a software can deliver, and how it cannot cover for inadequacies of M&E processes*

Complex Change Management

As a key driver for a centralized approach to M&E is the demand for transparency in operations, where IATI has emerged as viable option. To support a standard like IATI, development organizations need to collate their M&E data across all projects and initiatives, along with other financial and operational data, and make the data publicly available per the specified standard. This implementation requires a significant amount of data consolidation and aggregation through a robust data continuum. Given the high volume and variety of operational data that international development

organizations generate, collecting and managing this data is a significant overhead – especially for INGOs who have often operated in a federated environment.

> *Given the high overhead of data management for the implementing organizations, IATI adoption has a lot of ground to cover (around 450 organizations have published data to the IATI Standard since 2011). As some donors increasingly stipulate reporting to IATI as a funding condition, NGOs are recognizing the need to publish their consolidated performance data in near future.*
>
> *But the value proposition of adopting transparency through a centralized M&E needs to be further articulated across stakeholders at every level – right from project teams' increased clarity on the impact they make, to the learning opportunities for the organizations to finetune their global strategy.*
>
> *Further, international development organizations will have to prioritize their M&E transformation and work towards evolving their work cultures to support successful implementations of centralized M&E solutions.*

Varied donor expectations

Donor organizations have been instrumental to catalyze the increased focus on M&E implementations. Whereas, some grant seekers have attributed the varied demands from multiple donors for M&E-based reporting as a challenge to develop a Global Results Framework. Individual donors often influence the choice of indicators selected for the funded projects. This can potentially undermine the implementing organization's efforts to adopt a set of strategic indicators that can be meaningfully aggregated at the global level. Further, the local project teams and M&E specialists at INGOs and other implementing organizations have become accustomed to certain types of indicators as dictated by donor requirements. They will be required to actively work towards moving away from an outcome-based tracking and adopting a more impact-based tracking.

The M&E transformation, to achieve its intended impact, would eventually require a degree of standardization in M&E processes, including indicator definitions, selection criteria, and reporting methodologies. Developing this shared understanding is arguably an ambitious ask, but a sustained, long-term, cross-organization effort towards this standardization can pave way for future success.

*The **Sustainable Development Goals** can serve as a foundation/reference to rationalize the Results Frameworks used by various development organizations (both the donors and the implementing organizations)*

CONCLUSION

There are compelling reasons for development organizations to transform their M&E systems to guide their strategic vision and align their operations to broader needs of the social sector. The current digital technology landscape offers an opportunity for development organizations to enable this transformation, but they need to strategically prioritize this pioneering effort after evaluating their options and developing a transformation roadmap.

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About the Authors

Dr. Pradeep K. Mukherji is President & Managing Partner APAC & Africa at Avasant. For more information on Avasant's Globalization & Strategy Advisory Services, Email him at pk.mukherji@avasant.com

Anuj Jain is a Managing Consultant at Avasant and specializes in digital assessment and transformation for Enterprise Systems, including ERP and M&E systems. Email him at anuj.jain@avasant.com

Shobhit Patnaik is a Director at Avasant and specializes in digital transformation, strategic sourcing and business process optimization Email him at shobhit.patnaik@avasant.com

About Avasant

Avasant is a leading management consulting firm focused on translating the power of technology into realizable business strategies. Specializing in digital and IT transformation, sourcing advisory, global strategy, and governance services, Avasant prides itself on delivering high-value engagements through industry focused innovation and flexible client based solutions.

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