



GIZ's monitoring and evaluation policy

As a federal enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development.

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Foreword

New ideas are continuously called for in order to find tailor-made and sustainable solutions to complex social issues. This takes a great deal of creativity and the courage to venture into new territory, while keeping an eye on what is feasible. In international cooperation, change rarely occurs without setbacks. Notwithstanding, our aim is to shape these changes to best effect, and monitoring and evaluation (M&E) is a fundamental part of these efforts. Only if we know why something has worked well in one case but not in another that we can find the right path to sustainable development in similar situations in the future.

GIZ's success as a service provider in the field of international cooperation depends to a significant extent on its ability to deliver evidence of the results and efficiency of its work. Firstly, if we are to manage our commissions effectively, we need a clear picture of the status of our programmes, the most promising approaches, and the lessons to be learned. Secondly, GIZ's commissioning parties, clients and partners, as well as the general public, require the company to provide information on the results of its work.

To learn from success and failure, we need an open learning culture that takes a constructive approach to errors and learning processes that are mainstreamed throughout the company. M&E is therefore a key component of GIZ's corporate strategies, programme management and entrepreneurial activity.

I. Introduction

As a federal enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development. GIZ is also engaged in international education work around the globe. GIZ supports its partners at local, regional, national and international level in designing strategies and meeting their policy goals.

Most of GIZ's work is commissioned by the German Federal Ministry for Economic Cooperation and Development. GIZ also operates on behalf of other German ministries – including the Federal Foreign Office, the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety, the Federal Ministry of Defence, the Federal Ministry of Economic Affairs and Energy and the Federal Ministry of Education and Research – as well as German states and municipalities, and public and private sector clients in Germany and abroad. These include the governments of other countries, the European Commission, the United Nations and the World Bank. GIZ works closely with the private sector and promote synergies between the development and foreign trade sectors.

a. New framework conditions for GIZ's monitoring and evaluation

GIZ's M&E policy is based on the company's decades of experience with evaluation. It also reflects the new framework conditions for M&E that result from changes in the political setting for international cooperation, among commissioning parties, partners and clients and at GIZ itself.

In recent years, international cooperation has undergone transition due to its focus on development effectiveness. Being geared to programmes and budgets, international cooperation now tends to take place more at the level of regional and national policy, whereas the anticipated results are increasingly expected to become visible at the level of individuals and households, in line with the Millennium Development Goals. Another factor is the growing number of stakeholders who contribute to development in the international arena. These include various ministries in donor countries, private foundations, the private sector, civil society, emerging economies which are increasingly becoming donors in their own right, and finally, the partner countries themselves with growing contributions of their own. This makes it increasingly difficult and at the same time essential for GIZ to capture the results of its work. This is a challenge GIZ has to face.

GIZ's modified corporate purpose to 'promote international cooperation for sustainable development and international education work' opens up market opportunities for cooperating with new partners and clients, such as governments, foundations, private sector companies and multilateral/bilateral donors. The European Union, for instance, is already an important commissioning party for GIZ alongside the German Government. GIZ's new corporate purpose enables it to offer its expertise in the European single market too.

Cooperation partners and donors have different demands in terms of M&E, depending on their perspectives. They call for the use of high-quality M&E systems and reliable proof of results. In addition, the German Federal Ministry for Economic Cooperation and Development (BMZ), GIZ's main commissioning party has modified its procedures, which now envisage the award of three-year modules instead of programme phases.

Both the general public and development professionals are increasingly insisting on proof of the results achieved by international cooperation. Transparency is an issue of growing importance in the international and national debate on how to improve aid effectiveness. Germany is a member of the International Aid Transparency Initiative (IATI), and GIZ strives to meet the jointly defined standards for publishing information on international cooperation.

b. Objective and purpose of the policy

GIZ's M&E policy reflects the company's underlying philosophy in regard to monitoring and evaluation. Its purpose is:

1. to show the importance of M&E for the company;
2. to create transparency and consistency with regard to the principles, roles, responsibilities and processes that apply to M&E in all of the company's business areas;
3. to set standards for the methodological quality and ethical application and use of M&E findings.

The M&E policy is directed towards all GIZ staff members, especially

1. GIZ staff members who design monitoring systems or advise on their design;
2. GIZ staff members who commission or carry out evaluations;
3. consultants who are tasked by GIZ with designing monitoring systems or conducting evaluations, and
4. commissioning parties or clients in international cooperation and interested members of the public.

II. Monitoring and evaluation: definition and purpose

a. Definition of monitoring and evaluation

GIZ understands monitoring to be the continuous and systematic observation and recording of programme progress. This is measured by regularly examining targets on the basis of indicators, and assessing programmes from the perspective of key stakeholders. Results-based monitoring tracks the entire change process that is generated by a programme. This is an integral part of programme management.

GIZ's definition of evaluation is derived from DeGEval, the Deutsche Gesellschaft für Evaluation (German Evaluation Society).¹ Evaluation is the systematic examination of the value and benefit of an object. These may be programmes as well as the products and services, or policies and strategies that programmes provide. The object of evaluation is systematically described and analysed to prepare for its assessment. The findings, conclusions and recommendations obtained must be verifiable and based on qualitative and/or quantitative data. Evaluation may take place while a programme is under way or after its conclusion.

b. Use of monitoring and evaluation

GIZ uses M&E for the following purposes:

¹ DeGEval – Gesellschaft für Evaluation e.V. (2008) (Ed.): Standards für Evaluation, p. 15.

Quality improvement: GIZ uses M&E findings to help enhance the quality and effectiveness of its work. M&E is therefore an essential component of quality management at GIZ.

Business development: M&E plays a crucial role in acquiring new commissions from developing business with new clients and in fostering building relationships with existing clients. GIZ builds on M&E as one of its quality features. M&E strengthens the company's implementation capacities and with them its competitiveness.

Learning: GIZ uses M&E findings to support learning processes in programmes and for the company-wide learning process.

Steering: Evidence of results is collected such that it can contribute to steering decisions at all levels, from individual programmes to management and steering bodies. M&E therefore lays the foundation for operational, strategic and management decisions.

Reporting and accountability: GIZ uses M&E to account for its work vis-à-vis its commissioning parties and clients and the general public. Accountability, which is of special importance for all of GIZ's commissioning parties and clients, also includes reporting on the results that have been achieved. M&E provides empirically based evidence of these results.

III. M&E instruments at GIZ

The GIZ results model is the basis and starting point for the M&E system and thus for all M&E instruments at GIZ. It maps the intended change process in a given sector and illustrates programmes' entry points. It is also the foundation for results-based monitoring (RBM) and evaluations.

a. Results-based monitoring (RBM)

RBM is a key component of programme management. It enables regular dialogue about results, backed up by data. The partner's monitoring systems and processes are used wherever possible. Programme managers and partners use their RBM system for steering the measure and make sure that key information is provided to experts and all other stakeholders and interested parties.

RBM serves two purposes at GIZ. On the one hand, it gives the team and its partners regular indications of where the programme stands in relation to the envisaged results and within the planned process, and whether the chosen path is likely to be successful. On the other hand, RBM helps to reveal 'blind spots' in the results model and to question the results logic of the programme. This is done using an open approach capturing the perspectives of key stakeholders. This approach reflects the complexity of programmes by taking into account unforeseen events.

b. Project evaluations

Project evaluations include the critical, analytical review of the results of a programme and its modules. If a follow-on module is planned, the project evaluation looks also at required planning elements. Project evaluations are a standard procedure for all programmes commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) that have a specific minimum budget. The commissioned modules usually have a term of up to three years. A project evaluation is mandatory at the end of every term.

GIZ offers the use of project evaluations as standard procedure in all its business areas. It should be acknowledged that commissioning parties and clients determine the requirements and objectives to be met by evaluations.

c. Corporate-strategy evaluations

Corporate-strategy evaluations are financed and carried out in the responsibility of the Monitoring and Evaluation Unit following decisions of the Management Board. The objects of corporate-strategy evaluations are geared towards the company's decision-making needs and change processes. This also involves providing key information for business development. GIZ itself identifies strategically important learning areas related both to service delivery (approaches, concepts, instruments, programmes, portfolios) and corporate strategy (policies, strategies, concepts, corporate initiatives).

The approach taken is based on the concept of utilisation-focused evaluation as defined by Michael Q. Patton, i.e. attempt are made to promote the use of evaluation findings by focusing on the information requirements and the implementation capacities of stakeholders when designing corporate-strategy evaluations (intended use by intended users). To do this, the Unit organises a dialogue process with relevant internal stakeholders that covers the entire evaluation process. This includes drafting the evaluation questions, a regular dialogue and finally, discussions of the findings and how they are to be used.

Themes for corporate-strategy evaluations are selected by means of the following criteria:

- significance for corporate policy
- medium-term need for change
- need for evidence
- evaluability.

d. Overview of M&E instruments and purposes

GIZ's M&E system serves the purposes of quality assurance and improvement, business development, learning, steering, reporting and accountability at various levels.

RBM systems embedded programmes allow these to continuously reflect on and adjust their own work. This is a prerequisite for evidence-based steering and learning. Thereby, the system helps to improve quality and results orientation, and finally to enhance programme results. In addition, evaluations of modules commissioned by BMZ and evaluations of programmes in other GIZ business areas provide information on the results that have been achieved.

Information from M&E is used among other things for reporting to commissioning parties and clients in line with their specific requirements. It is therefore important for maintaining contacts with existing clients, which may foster the acquisition of new commissions. Empirical information taken from M&E reports on the quality of the company's work is also used for winning new clients. By developing convincing standards for M&E, it is also possible to offer RBM systems tailored to the needs of specific commissioning parties and clients. Finally, information obtained from M&E is used to provide accountability to the general public.

Next to the direct use at programme level, the M&E system also lays the foundation for assuring and improving quality and results at company level. The overarching assessment of lessons learned from (i) evaluations in all business areas (e.g. in sectoral or regional respect) and (ii)

assessment of evaluations. Staff from the operational units may be members of a reference group in connection with corporate-strategy evaluations. The reference group advises the Monitoring and Evaluation Unit on all issues related to carrying out a corporate-strategy evaluation.

Monitoring and Evaluation Unit

The Monitoring and Evaluation Unit is the point of contact within the company for monitoring and evaluation, and has the required methodological expertise. As a corporate unit, it reports directly to the Management Board and is not involved in operational business. This organisational structure makes it independent.

The Monitoring and Evaluation Unit

- is a service provider for all organisational units at GIZ. It advises the decentralised operational units of the company on designing and using monitoring systems and on steering and conducting evaluations. At central level, it provides reliable evidence-based information to management, by independently conducting corporate-strategy evaluations.
- examines the methodological quality of project evaluations.
- continuously develops the M&E processes, instruments and standards of GIZ and advises the Management Board such that the company's M&E system always meets current national and international standards, and is recognised by the professional community at national and international level.
- acts as a knowledge broker. It designs institutional learning processes based on evaluation findings and contributes to knowledge management at the company. This is done, for example, by (i) providing evaluation findings for the planning process and for replicable innovative approaches, and (ii) by assessing evaluations and third-party studies.
- serves as a contact point for all enquiries sent to GIZ by the German Institute for Development Evaluation (DEval) in connection with its external evaluations.
- represents GIZ in professional circles and collaborates and networks with the M&E units of commissioning parties and clients, implementing organisations and research institutions.

V. Evaluation criteria and categories for M&E

GIZ applies a number of evaluation criteria when assessing programmes and other objects of M&E. It pursues various goals when applying these criteria.

By using the evaluation criteria established by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), GIZ ensures that its M&E products are internationally compatible. These criteria are defined as follows:

- **Relevance:** the extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor.
- **Effectiveness:** a measure of the extent to which an aid activity attains its objectives.
- **Efficiency:** measures the outputs -- qualitative and quantitative -- in relation to the inputs.
- **Impact:** the positive and negative changes produced by a development intervention, directly or indirectly, intended or unintended.
- **Sustainability:** is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn.

OECD-DAC has also established further criteria for evaluations in the context of humanitarian aid and crisis prevention. These include coherence, coordination and coverage. Since many of GIZ's partner countries are beset by political crises and conflicts, these criteria must always be applied as and when warranted by the context.

Aligning M&E with the five success factors of GIZ's management model Capacity WORKS² ensures that M&E findings can be put to good use for managing GIZ's commissions. The success factors are therefore taken into account in connection with M&E. The success factors are the basis on which the development measure is negotiated with partners and on which GIZ's inputs are developed. The success factors and key themes they address are presented as follows:

- **Strategy:** strategic orientation, agreement about and selection of options, consultancy strategies for Capacity Development, operationalisation
- **Cooperation:**
 - with internal partners: cooperation system, form and content of cooperation, roles and responsibilities, networks
 - with external partners: formation of partnerships, managing barter relationships, establishing comparative advantages, negotiating;
- **Steering structure:** the governance model for the project, decisions, communication and responsibility in management, key topics and debriefing
- **Processes:** processes in the project (internal: process improvement, interface management), design and composition of processes and process hierarchies, intervention architecture
- **Learning and innovation:** design of a coherent learning architecture on four levels: policy field level, network and project level, organisational and personal levels

² GTZ (2008): Capacity WORKS. The Management Model for Sustainable Development.

Giving consideration to the success factors is the basis for company-wide learning processes as well as learning in programmes.

Since the evaluation objectives and the characteristics of the objects being evaluated may differ, not all evaluation criteria and categories need be applied in each case. However, the selection or exclusion of individual criteria and categories does have to be justified.

VI. Quality criteria and standards for M&E

a. Quality criteria for results-based monitoring (RBM)

In order to make successful use of the findings obtained by the monitoring system in cooperation with partners, and to enable results-based steering of programmes, GIZ has formulated a number of quality criteria for RBM systems. A good RBM system is characterised by four core elements, each of which has to meet specific quality criteria:

(a) Design and structure

Each RBM system is based on the results logic of a programme; the results logic is presented in the results model. The results logic is developed during strategic planning. Objectives, results, indicators, hypotheses and external factors are included in a monitoring form and completed with baseline data. Data collection methods, measurement intervals and responsibilities are also agreed upon and recorded when designing the RBM system.

(b) Implementation and steering

In order to make successful use of monitoring data, GIZ sees the RBM system as an integral part of programme management. Monitoring data provide continuous indication of the status of results and of need for adjustments or action, and how this should be done. Programme management and partners bear joint responsibility for this. It is therefore essential to design the RBM system together with partners, intermediaries and programme staff, and for the system to be universally accepted and embedded in the partners' decision-making mechanisms. It is also very important to provide the necessary resources for applying the RBM system.

(c) Documentation and learning

Programme stakeholders are involved in reflecting on the findings from monitoring. These are documented for internal and external communication and for reporting, and are provided to all the Stakeholders involved so that they can be used for institutional learning and business development.

(d) Efficiency

To meet requirements in terms of (economic) efficiency, an RBM system should present an appropriate cost/benefit ratio and always make use of existing partner systems wherever possible.

b. Quality standards for evaluation

GIZ gears its evaluations to the 'Standards für Evaluation' (Standards for Evaluation) of the Deutsche Gesellschaft für Evaluation (DeGEval) and the OECD-DAC Quality Standards for Development Evaluation. As a basis for developing quality assurance instruments, the

Monitoring and Evaluation Unit formulates M&E quality standards for various aspects of quality: process quality, methodological quality and quality of reports or products.

Process quality

The way in which evaluation processes are designed is very important for the subsequent use of the evaluation. To make it as useful as possible, the following standards should be met:

- **Clarifying the purpose of the evaluation:** The purpose of an evaluation is negotiated with the commissioning party or client and is clearly presented in the terms of reference for the evaluators and in the evaluation report.
- **Involving the relevant stakeholders and intended users:** Involving the relevant stakeholders and intended users in the evaluation process makes the evaluation more equitable and strengthens its acceptance. Consideration must be given to the information needs and to the capacities of relevant stakeholders and users for implementing evaluation findings and recommendations.
- **Suitable timing:** Evaluation findings must be available in time so that they can be used to answer management-related questions and for making corporate strategy decisions.
- **Credibility and expertise of the evaluation team:** The evaluation team is composed such that it has all the necessary knowledge for conducting the evaluation in a professional manner. This includes technical, methodological, language, cultural, institutional and regional skills.
- **Independence:** Evaluators must not have been involved in planning or implementing the programme to be evaluated. The evaluation reports reflect only the author's opinion. Evaluators are given free access to information. The organisational units responsible for M&E are given scope to confront their own organisation with critical evaluation findings.
- **Ethical implementation:** Evaluation is based on the principles of integrity and honesty. Evaluation managers and evaluators respect human rights and differences in culture, customs, traditions and faith of the relevant stakeholders. The rights and well-being of everyone involved in the evaluation are protected. Anonymity is granted to all informants and, if desired or necessary, is ensured in order to protect the individual.
- **Documentation of evaluation findings:** Evaluation findings are systematically documented, secured and disseminated.

Methodological quality

The methodological quality of an evaluation refers to the use of empirical methods for data collection and analysis. Four standards are of importance for methodological quality.

- **Appropriate methods:** Methods must be appropriate for analysing the object of evaluation, the issues addressed by the evaluation, its purpose, the framework conditions and the available time and financial resources.
- **Professional application:** As a type of applied research, data collection and analysis during GIZ evaluations complies with scientific methodological standards, i.e. data collection and analysis and reference to secondary data and background information are always systematic and verifiable, even if time is short and financial resources are limited.

- **Validation:** To ensure the validity of evaluation findings, various data collection and analysis methods are triangulated. Evaluators question the validity and generalisability of findings when formulating their recommendations.
- **Intersubjective verifiability:** The entire evaluation process, particularly data collection and analysis, is documented such that anyone can see how the evaluators have reached their findings.

Quality of reports/products

The evaluation process and findings are presented in an understandable, transparent, complete, balanced and user-friendly way. Recommendations are useful for the relevant actors and can be used as a basis for action.

VII. Making use of M&E findings and recommendations

GIZ acts in three dimensions in order to move from providing evidence to making changes: internal and external communication, learning processes and management response.

Communication

Results and recommendations of M&E which are serving the purpose of complying with accountability and reporting obligations of commissioning parties and clients are published. Within GIZ, all evaluation reports from all business areas will be available via a central database. Transparency is ensured by giving interested members of the public access to executive summaries of project evaluations online. Every two years, GIZ publishes a general report on the company's M&E findings in order to document its results and present the conclusions it has drawn from the findings. Beyond this, the findings of especially informative evaluations are published in journal articles and presented at conferences. The Monitoring and Evaluation Unit also provides position papers on topical sectoral issues.

Another aspect of using data from M&E is their use in aggregated reports on results, i.e. the presentation of results across programmes and countries. For this purpose, programmes use standard indicators to collect data in selected sectors. These data are used to present what has been achieved to the public and to commissioning parties and clients, giving GIZ the opportunity to present its successful work in a comprehensive and consolidated form.

Learning processes

As a learning organisation, GIZ aims to use M&E findings for company-wide learning processes. M&E findings are processed and used so as to facilitate learning in programmes, at sector level and in the company as a whole. Initially, knowledge is generated at programme level. In order for the company to benefit from this knowledge, it has to be integrated into further processes throughout GIZ. This requires exchanges at different levels: horizontally between the different organisation units within the company, and vertically between the different organisational levels, from the management to the individual employees. The key task here is to process experience in such a way that different stakeholders can learn from it through different processes.

The Monitoring and Evaluation Unit has developed a number of learning tools for channelling M&E findings into the continuous improvement process.³ These tools institutionalise learning from M&E by feeding the findings from the three learning levels back into the process. This includes learning events and dialogue with GIZ's sector networks. Events, such as 'learning cafés', offer the chance to discuss evaluation findings in an interdisciplinary fashion. They are attended not only by the people directly involved and responsible, but by anyone who may benefit from the evaluation findings.

Management response

To ensure that the company systematically addresses the M&E recommendations, the Monitoring and Evaluation Unit coordinates a management response system, which systematically presents the evaluations' recommendations and gives reasons why they were approved or rejected. Steps involved in acting on recommendations are also firmly agreed upon as part of this system. The Monitoring and Evaluation Unit regularly examines the implementation status of accepted recommendations.

M&E only works and contributes to sustainable development if it is used to draw conclusions and initiate change.

³ You will find more information on the learning instruments in: GIZ (2013): Learning from evaluations. Processes and instruments used by GIZ as a learning organisation and their contribution to interorganisational learning.
Internet: www.giz.de/monitoring ► Learning from evaluations

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