Towards a systematic Monitoring & Evaluation framework: evaluating individual interventions in an entwined policy intervention area

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Synopsis

In this paper, the external evaluator and the commissioner reflect on the interplay between monitoring and evaluation (M&E) systems in the context of Norwegian regional development as an entwined policy intervention area, characterised by numerous interlinked stakeholders and political emphasis on more remote areas. This includes a focus on how monitoring and evaluation as rationalistic theoretical constructs are challenged by complex policy contexts.

Introduction

Competitive and sustained local economies and communities are high on the political agenda in Norway. The current guiding political objectives were introduced in 2005-2006, when the government white paper moved a wide range of issues up the agenda in support of the focus on regional development. Particular emphasis was placed on more remote and smaller local communities. A more active entrepreneurial policy was instituted to support competitive local and regional industry, and innovation communities. A range of public agencies were involved, such as Innovation Norway, The Industrial Development Corporation of Norway (SIVA) and the Norwegian Research Council, alongside regional and local agencies, and government and private stakeholders. There are thus numerous public support structures for both regional and industrial development in Norway, often closely interlinked and with complementary objectives.

In 2011, over 2 billion Norwegian kroner (approx. 250 million €) was allocated to regional policy tools through the Ministry of Local Government and Regional Development alone\(^1\), not including individual municipal funds or other policy tools such as differentiated employer insurance contributions\(^2\) and general political focus on the role of innovation in regional development across policy areas. The funds form part of what is often referred to as ‘narrow regional policy interventions,’ complementing broader efforts to achieve overall political objectives. The greater part of the 2 billion kroner was administered by county councils for regional development, which in turn transfer some of the funds to local municipalities.

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1 See for example [http://www.regjeringen.no/upload/KRD/Rapporter/Political_balance_sheet.pdf](http://www.regjeringen.no/upload/KRD/Rapporter/Political_balance_sheet.pdf)
2 The latter estimated at 12.5 billion kroner (1.6 billion €)
regional collaborations and to Innovation Norway. The funds are often supplemented at local level, e.g. from income generated by local power plants through municipal ownership, taxes and fees.

Reflecting the high level of local governance in Norway, there is considerable flexibility in allocating public funds for regional development in accordance with local needs. The funds can be allocated to both wider structural projects and individual businesses and entrepreneurs, and have been allocated to a broad range of initiatives managed by a wide selection of stakeholders, often in conjunction with other public funds. As a consequence, it could be argued that the effectiveness of these interventions relies extensively on the interplay and division of responsibilities between various agencies, including county councils and Innovation Norway in particular, both of which overlap with interventions administered at municipal level. The interventions are, in this sense, characterized by a high level of networked efforts, both in terms of the policy interventions themselves and in terms of the diverse political context in which they take place.

Consequently, the general objectives following the funds dedicated to regional development are broadly defined at national level, leaving considerable flexibility for local priorities and adaptations both through regional development plans and to a varying degree, local municipal and regional priorities through policy levers such as municipal and regional enterprise funds. In evaluation terms, the objectives following the funds are concentrated at a general level and only to a certain degree broken down to operational and specific objectives, as these are in general specified at local level.

In 2011, the Ministry of Local Government and Regional Development requested an impact evaluation of the municipal and regional enterprise funds, based on the allocation of funds in the period 2008-2009. It is this evaluation that inspired the current paper, as the evaluation clearly complemented broader attention to both activity and results-based monitoring of publicly financed regional development efforts.

The evaluation was designed and built upon the growing emphasis on robust reporting on the application of these funds, leaving the evaluation itself not only an isolated event but an integrated step towards a more systematic monitoring and evaluation framework, in particular in measuring and evaluating results and the impact of such interventions. In this paper, the external evaluator, in collaboration with the commissioner, reflect on the specific evaluation design in the context of developing a more systematic approach to an M&E framework as part of an overall knowledge strategy. Particular attention is paid to the complementarity of the ‘E’ and the ‘M’ in such an entwined and multi-layered policy intervention area, reflecting on the Ministry’s own approach to a closer monitoring of how the funds are applied, and thus challenging the view of evaluation and monitoring as theoretical constructs.

Towards results-based monitoring

There has been a significant move towards more evidence based policy and practice, both in terms of performance-related measurements and evaluative knowledge. As quoted by Mayne (2006) ‘the performance orientation in public management is here to stay. It is essential for successful government’ Curristine (2005, 150). This focus has to varying degrees included the formulation of specific evaluation
strategies and/or evaluation policies, specifying requirements for regular monitoring and evaluation of performance. Within this context, there are two key trends of particular importance. Firstly, we find that monitoring and evaluation increasingly form part of an overall strategy for knowledge management (Perrin, 2006; Rist, 2006; Stame, 2006). Secondly, we find that the role of evaluation in the policy cycle shifts from a more classic ex-post approach to evaluation as integrated throughout the policy cycle.

In the context of Norwegian regional development, particularly as seen from the perspective of the Ministry of Local Government and Regional Development, it is clear that the latter trend applies not only to the evaluation context, but presents itself in a wider context where evaluation forms an integral part of wider knowledge and information production, complementing monitoring at both activity and result levels. The two trends can thus be seen as prominent in the Norwegian regional policy context.

Moreover, it is widely acknowledged that there has been a shift from more traditional activity-based monitoring to collecting information on performance by adding result and impact indicators corresponding to the underlying program logic model (see e.g. Mayne 2006). This shift is also noticeable in the Norwegian regional policy context. Looking towards recent developments, January 2012, to be specific, we find that the Ministry launched an improved reporting system for the county councils as a pertinent measure for improving their knowledge strategy. The purpose of the updated system was to integrate reporting on applications, input and intervention results into one single system, while relying mainly on the recipient to provide the necessary information. The intention was that both the Ministry and the county councils would use this activity and results-oriented information in managing and developing regional policy. While it would be fair to argue that the latter link between the reporting system and regional policy development is only its very early stages, the focus of this article is rather on the role of the reporting system in their knowledge management strategy.

Prior to the introduction of the new reporting system, similar information was supplied by the individual county councils, who in general struggled with the requirement of implementing a reporting system for the allocation of the funds. Hence, it was agreed that the Ministry would lead the process of developing one common framework, respecting the flexibility of regional stakeholders to adapt the system to more local needs. The initial system was based on the experiences of certain county councils, such as the ones of Nordland, Troms and Oppland. A draft structure was distributed for feedback, and with the exception of minor comments, the structure was recognised as a fair representation of their individual contexts and implemented earlier this year.

Certain challenges remain. First, while the activity based information has been available for some years (albeit with varying, yet improving quality), the results reporting is still fairly fresh as the first information was collected only last year and at a fairly general level. As such, the reporting structure reflects the broad overall political objectives of the policy area and is focused on more long-term impact indicators than indicators for output and short term results, making it difficult to link information to actual interventions.

Several factors can help explain why this challenge remains, perhaps the two most important being the wide and varied types of interventions funded within this framework, which in turn is reflected in its
stakeholder landscape and the governance structure. For instance, the funding can just as well be applied to education oriented entrepreneurship measures through, for example, supporting the organisation Young Entrepreneurship, as to individual businesses or to physical upgrades in the local community. Moreover, structural interventions, in particular, might also be funded by county councils as by local municipalities, although the governance level commonly reflects the scale of the intervention. Moreover, the interventions correspond with a highly diversified knowledge base, and a varied degree of explicit specific objectives. While the existing reporting structure struggles to encompass the content of the wide array of funded measures, which can be unclear to those reporting the information, this means that a key challenge remains: to agree on meaningful indicators connecting input to specific results.

Second, although the reporting system is recognised as an important contribution to evidence-based political decision-making forming part of a type of overall strategy for knowledge management, this strategy is based on the notion that the knowledge base is not explicit, not only to the organisation alone but more importantly to the wider stakeholder landscape managing the funds and making intervention decisions. This forms, in fact, an important part of the knowledge production contracts and consequently the evaluation contracts, about making the knowledge base explicit and mapping out assumed causal mechanisms and an ex-ante model of expected results.

This was the case in the evaluation of the municipal and regional enterprise funds. There was a lack of a common overall ex-ante framework for the evaluation to build on, as well as a highly diverse knowledge base on the different types of interventions at more specific levels. In certain areas, both the ex-ante framework and knowledge base was fairly explicit, such as support to individual businesses, while in other areas such as festival contributions or ‘move home’ campaigns were close to non-existent. Moreover, there was a clear need for information on the actual input, leaving the evaluation with the challenging task of mapping the details of the overall logic of the interventions based on broad political objectives, a scanty knowledge base and a lack of common knowledge of what the funds had been spent on. While an attempt was made to establish such a common framework in the inception phase of the evaluation, it was clear that the remit of the contract still left something of a black box unopened at more detailed levels, blurring the full overview of an integrated logic model for the interventions and thus leaving the reporting structure in need of further development. At the same time, the structure needs to encompass a wider range of measures and stakeholders than those covered by the municipal and regional enterprise funds alone.

These experiences have resulted in a new request from the Ministry. Limiting the attention to the types of interventions where both the knowledge base is more disperse and there is a lack of an ex-ante logic model, the new call poses several pertinent questions for the examination of the input and implementation of projects funded to increase the attractiveness of local communities. The new call highlights a need to establish a program theory (or several) for these interventions, and a revision of the reporting categories. The intention is to build a basis for later evaluations and assessments to be made, and to refine the reporting structure of the monitoring system.
Complementing the M and the E

A well-functioning monitoring and evaluation system has been recognised as an essential cornerstone of public management, and constitutes for instance one of the central pillars of public sector capacity building in developing nations (see e.g. Gorgens & Kusek, 2009; Kusek & Rist, 2004). Hence, both performance monitoring and evaluation form part of overall trends of knowledge production. The regional policy context in Norway is no exception, and knowledge managers such as the Ministry of Local Government and Regional Development has demonstrated this through both internal development initiatives and external calls for tender.

Although the complementarity of evaluation studies and performance monitoring and/or measurements have largely been recognised, it is still argued that limited attention is paid to how these knowledge production forms complement each other, and often with a pre-emphasis on monitoring over evaluation (see e.g. Mayne 2006).

To do so, and not make the assumptions that these activities are uncontestably defined, one needs to establish a basis for discussion. Kusek and Rist (2004) refer to OECD (2002) in defining monitoring and evaluation:

**Monitoring** is a continuous function that uses the systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds (p. 27).

**Evaluation** is the systematic and objective assessment of an ongoing or completed project, program, or policy, including its design, implementation, and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact, and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors (p. 21).

Source: Kusek and Rist (2004), bold emphases added

At first sight the definitions above correspond closely to the views of the Ministry of Local Government and Regional Development in Norway. While the new reporting structure not only collects input and activity based information, the intention is also to monitor progress and achievement of objectives, in addition to the traditional focus on the implementation and management of policies at an organisational level. The shift towards results monitoring reflects a need not only to monitor societal developments, but to make the connection between the funds in question and these trends and developments. However, the focus remains on accountability in terms of honest use of funds, and for making sure they are used for the purposes intended, rather than holding stakeholders accountable for actual outcomes, results and impacts, as Hatry also points to (Hatry 2002). It is recognised that they have indeed limited influence over such outcomes.

Evaluations are in turn applied to raise questions of relevance and effectiveness in particular, e.g. if the funds are spent on the right interventions or results can be improved. There is also a need to balance the
different types of interventions, e.g. whether structural measures should be prioritised over direct contributions to individual businesses, but this is perceived as difficult for individual evaluations to assess. Evaluations rarely conclude that interventions are obsolete, but focus rather on how to improve effectiveness.

Hence, the focus in the evaluation of the municipal and regional enterprise funds was placed on assessing the results and impacts of the funds, with less attention placed on the management and implementation of the funds, focusing on evaluation criteria such as relevance, effectiveness and impact. Looking at contributions to individual businesses, commonly referred to as direct measures, a pre-existing assessment framework developed by Innovation Norway for their ‘customer impact surveys’ not only allowed for a comparison between stakeholders, but also to detail the division of responsibilities and cooperation between them, thus including efficiency as an evaluation criterion in the context of the overall intervention logic for this policy area. There was also a focus on the relationship between municipal enterprise funds and their county councils in managing and prioritising the funds.

At a more detailed level, Kusek and Rist (2004) propose the following description of the complementary roles of results-based monitoring systems and evaluation.

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

Source: Kusek and Rist (2004)

Looking in more detail at the knowledge and information strategy of the Ministry, and the specific evaluation of municipal and enterprise funds, the distinction between the two forms of knowledge production becomes more blurred.

First, within the context of the Norwegian regional policy context there is a need to establish and clarify program objectives as part of evaluations, and to set a framework for linking activities and resources not only to long-term and overall objectives, but to more specific and short-term objectives logically derived from the actual interventions. This is seen as part of the evaluation context, informing in turn the reporting structure of the monitoring system. Consequently, assessing both the attainment of objectives and specific causal contributions as part of an evaluation becomes less straightforward.

Second, developing a monitoring system is not necessarily a straightforward step-by-step process. Although it is clear that a monitoring system is not developed overnight, and that it generally requires a
high level of involvement from users of various kinds, the Norwegian regional policy context also demonstrates further complexities, where interventions are diverse and somewhat overlapping, supporting the same overall objectives and managed by a wide range of stakeholders. Balancing the decentralised Norwegian municipal model, where a significant number of municipalities operate within the remit of the political focus on less central areas (‘distriktspolitisk virkeområde’) and thus manage, along with their county councils, large proportions of the funds in question, makes the inclusive development of frameworks flexible enough to allow for local knowledge and decision making rather than central standards and detailed objectives particularly appropriate, thus posing significant challenges to a standardised monitoring system. In Hatry’s terms ‘governments and agencies at all levels take numerous actions to improve services without significant input from strategic planning efforts’ (Hatry 2002, 353), which in turn clearly represent a challenge to agreeing on a meaningful set of indicators that will respect the need for local adaption.

The argument of this paper is that these two conditions not only impact on the complementarity of monitoring and evaluation as forms of knowledge production, but also challenges monitoring and evaluation as distinct theoretical constructs. To help guide such a discussion, it is useful to look to how the concept of complementarity has been dealt with in literature. In a later publication, Rist (2006) derives three forms of complementary roles in the relationship between results-based monitoring and evaluation, and thus explores this point:

1. **Sequential complementarity.** In which monitoring information can generate questions to be subsequently answered by evaluation— or the reverse, with evaluation information giving rise to new areas or domains of monitoring to be initiated.
2. **Information complementarity.** In which both monitoring and evaluation can use the same data, but pose different questions and frame different analyses.
3. **Interactional complementarity.** In which managers are using monitoring and evaluation in tandem to help direct their initiatives.

Building on Rist’s definition of three forms of complementary roles (2006), Bohni and Ejler (2008) add a fourth category as essential to exploring the complementarities between evaluation and performance management:

4. **Methodological complementarity.** Both forms of knowledge production share similar processes and tools for structuring and planning, obtaining data, analysing and inferring judgement.

Within the context of this paper, all four types of complementarity can be recognised when examining the interplay between the reporting system and the evaluation activities of the Ministry of Local Government and Regional Development. The evaluation of the municipal and regional enterprise funds not only used the same data (information complementarity), but also used these data to raise specific questions and detail the evaluation design (sequential complementarity). For instance, a preliminary statistical analysis of the reported interventions was used to make an informed selection of respondents for the evaluation survey, as contact details were scarce and significant effort had to be made to establish a robust respondent database. The same analysis also informed the development of ex-ante logic models. It
seems there is also some form of methodological complementarity, as reporting structures have initially been based on stakeholder input and data is collected both from managing institutions and recipient of funds.

Most importantly for this paper, the evaluation of municipal and regional enterprise funds showed that monitoring and evaluation activities are also subject to a form of interactional complementarity that goes beyond Rist’s definition of using monitoring and evaluation in tandem to help direct initiatives (see definition above). Although such a complementarity would ultimately be the ideal for a well-functioning M&E system, and also in the Norwegian regional policy context, it is argued that the example in this paper has demonstrated a form of interactional complementarity in **developing the system as such**, where evaluations are used to map out and detail the underlying logic of the diverse interventions, feeding back to the reporting structure of the monitoring system. The argument of this paper is that this is a form of interactional complementarity that seeks to resolve some of the tension between monitoring and evaluation as rationalistic theoretical constructs and complex realities, and consequently highlighting the need for some form of compromise between the ideal M&E approach (and to building and M&E system) and a reality that is often far more diverse and complex than can realistically be encompassed by such a system.

**Concluding remarks**

In this paper, the author argues that while knowledge production takes place in a dynamic and often complex context, traditional views of monitoring and evaluation as explicit forms of knowledge production can struggle to encompass the complex realities in which they occur. In this paper, it is argued that they both form part of an overall knowledge strategy that is not guided by the theoretical ideals of M&E systems as such, but by their context, and that this in turn influences both the content and dynamic between monitoring and evaluation as forms of knowledge production, as well as the utility of the knowledge produced. As such, the complex policy context challenges a more traditional view of M&E systems as theoretical constructs.

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Bibliography:


**Biography:**

Benedicte Akre has wide experience with national and EU based evaluations and assessments. She is an experienced evaluation consultant, with a particular background in program and impact evaluations. She is a certified evaluation specialist within Rambøll's own evaluation society, where she also represents the Norwegian company on the board of the society. She is an active contributor to evaluation methodology developments within Rambøll Management Consulting, and in the Norwegian evaluation field. In 2011, she contributed to the Norwegian Evaluation Society conference with a paper on the maturity of the Norwegian evaluation market. She was also the project manager of this particular evaluation.