Approach Paper

**Biennial Report on Operations Evaluation:
Assessing the Monitoring and Evaluation Systems of IFC and MIGA**

Introduction

1.   A monitoring and evaluation[1] (M&E) system—the process, methods, and tools, for collecting data and information used to track progress on outcomes and assess performance and results for accountability and learning—is a critical component of any results framework. An M&E system is made up of four components: data collection, data quality control, analysis of data, and reporting results. When designed and executed well, M&E systems are indispensable management and learning tools that can be used to guide strategy, improve planning and implementation of operations, and promote learning and accountability.

2.   The value of M&E in strengthening the results focus in development operations is growing in development agencies and among those who have a stake in the effectiveness of those agencies. Hence, many agencies, including those of the World Bank Group, are striving to improve their systems to gather, process, and use monitoring information and evidence from evaluation to enhance development effectiveness and the quality of development operations.

3.   The foundation of a complete M&E system is self-evaluation and monitoring, for which integrity, coverage, and relevance are critical. IEG's mandate includes a periodic assessment and report on World Bank Group systems for self-evaluation and monitoring. The last assessment of the International Finance Corporation (IFC) system was conducted in 2008, and since then there have been important developments. The self-evaluation system of the Multilateral Investment Guarantee Agency (MIGA) is still being established, and progress has not yet been assessed.

4.   IEG therefore proposes to update the previous review of IFC's system and expand its coverage to include MIGA's system. The proposed evaluation will review the functioning and quality of the M&E systems for private sector operations at IFC and MIGA. The evaluation will emphasize the systems for gathering, analyzing, and using information as well as providing feedback that strengthens the results focus in private sector operations.

M&E for Private Sector Operations and the Results Agenda

5.   Several development agencies, recognizing the importance of the private sector for development have expanded their support for private sector activities. For example, the United Kingdom's Department for International Development (DFID) released a new private sector strategy in 2011, including a new financing scheme that partners with private businesses. More recently, participants in the Fourth High-Level Forum on Aid Effectiveness (HLF-4) in Busan, Republic of Korea, noted that effective aid involves participants beyond country governments, including civil society and the private sector. The private sector, more

than ever before, is considered a critical part of the solution for a broad range of development issues, such as employment generation, food security, and social inclusion.

6.   The business world is also changing its attitude toward development, and some businesses are promoting their development results. For example, "impact investments," defined as direct investments made to generate both social and environmental impacts and a competitive financial return in housing, rural water, health, education, and financial services, have a potential market of $400 billion over the next 10 years (JP Morgan 2011). Increasingly, entrants to the impact investment market believe they need not sacrifice financial return in exchange for social impact (JP Morgan 2010: p. 6). At the same time, the potential of private sector involvement in solving development problems is far from being fully realized, and little is known about how to most effectively mobilize and enhance the private sector contribution to development. This new development paradigm calls for M&E systems that provide timely, credible, and reliable information to track progress on outcomes, assess performance, and generate knowledge about what works, what does not, and why.

7.   IFC and MIGA, like all institutions that support development through the private sector, must balance their own long-term financial sustainability and development objectives with the short-term financial objectives of the firms with which they work. IFC focuses on the institution's "double bottom line," that is, achieving development impact and financial results for its clients and the institution. Striking the right balance requires an adequate M&E system to ensure that private sector development operations actually deliver measurable development results.

8.   There are three important challenges in developing robust M&E system to track and measure development results from private sector operations. First, information on which income groups benefit from private sector operations is often scant. Second, systems for collecting, tracking, and measuring the impacts of private sector operations including their equity and distributional consequences are not as well developed as those for public sector interventions. Third, there is less clarity about the extent to which data collected by private sector clients improve understanding of the actual contribution and limitations of the private sector in promoting patterns of growth that benefit poor and underserved populations. Expectations for how information on development results is collected and used are changing as well. An M&E system should provide information that is useful and incorporated in decision making. The demands on creating stronger results orientation also raise concerns on the costs that data gathering may impose on institutions, clients, and beneficiaries.

9.   The World Bank Group recognizes and supports private sector involvement in stimulating economic growth and poverty reduction and has increased its focus on private sector operations during the past decade. Private sector operations at IFC and MIGA accounted for 25 to 30 percent of the Bank Group's annual financial commitment during the past six years. With the growing importance of the private sector in development and the expected continuous growth in private sector activities of IFC and MIGA, it is important that these organizations have well-functioning M&E systems that can be used to assess past performance and guide future strategic directions.

Purpose, Objectives, and Audiences

10.   The proposed evaluation aims to inform the results agenda at IFC and MIGA. It will take stock of the development results measurement framework in these institutions and attempt to determine whether the existing M&E systems provide reliable, timely, and useful monitoring information and self-evaluation evidence; contribute to efficiency gains in project implementation and management; are used to take corrective actions during implementation; and result in improvements in the performance and results from IFC and MIGA activities. The evaluation will also identify strengths and weakness of the current M&E systems as well as the alignment of those systems with the Good Practice Standards of the Evaluation Cooperation Group (ECG) for Multilateral Development Banks.

11.   The expected users of the findings are members of the Board of Executive Directors, managers, and staff of IFC and MIGA. The evaluation will also provide lessons of use to World Bank staff working on private sector operations as well as to multilateral development banks and other stakeholders, including governments, the development aid community, and civil society.

Monitoring and Evaluation Systems at IFC and MIGA

12.   The M&E systems at IFC and MIGA are based on self-evaluations conducted by project teams to measure project, program, and institutional performance at the level of projects and strategies. At the early stage of project appraisal and screening, M&E system activities include the design of an ex-ante results framework, specification of indicators, gathering of baseline data, and setting of targets. Information from this system is also used in institutional planning and business decisions. Evaluation activities at IFC are conducted by external consultants and staff dealing with results measurement. The M&E systems at IFC and MIGA therefore span diverse activities from projects to corporate strategies (see Table 1 for a summary of the systems).

13.   At the project level, the monitoring system is designed to track progress on project implementation by measuring performance against stated objectives, market benchmarks, standards, or baseline indicators. In IFC, private sector investment projects use an approach that incorporates the business practices of private sector clients in addition to environmental and social risk management. In the past, MIGA monitored only those projects with complex environmental and social effects, but in January 2011, MIGA launched its first Environmental and Social (E&S) Monitoring Strategy, which included an E&S monitoring framework covering the majority of projects. The environment and social monitoring program is MIGA's only project-level monitoring function.

Table 1. Self-Monitoring and Evaluation Systems of IFC and MIGA

	IFC	*MIGA*
MONITORING SYSTEMS		
Project-level monitoring system	Investment: Development Outcome Tracking System (DOTS) Environment and Social	Development Effectiveness Indicator System (DEIS) Environment and Social
	Advisory Services: Supervision Report	NA
Strategy-level monitoring system	Advisory Services business line product-level monitoring IFC Development Goals (IDGs)	DEIS
EVALUATION SYSTEMS		
Self-evaluation of projects	Investment: Expanded Project Supervision Reports (XPSRs) Thematic and product assessment (some conducted by external parties / consultants)	Guarantee: Project Evaluation Reports (PERs)
	Advisory Services: Project Completion Reports (PCRs) Thematic and product assessment (some conducted by external parties / consultants)	NA
Strategy-level evaluation system	Country: Country Assistance Strategy Completion Reports (CASCRs)	None
LINKING MONITORING AND EVALUATION		
Corporate results reporting	Corporate Scorecard IDG	Institutional: Periodic Review

14.   Project monitoring activities at IFC and MIGA focus on measuring development results through gathering and processing information on indicators through the Development Outcome Tracking System (DOTS) for IFC or Development Effectiveness Indicator System (DEIS) for MIGA. Project staff identify specific, standardized, and measurable indicators, including baseline values and targets for outcome indicators, at the outset of a project. Performance is periodically tracked against achievement of targets to provide feedback for operations work.

15.   At the strategy level, monitoring systems aggregate performance monitoring information by country, region, and client group. The results of these activities are intended to feed into IFC's strategies and ongoing operations. IFC Development Goals (IDGs) have been piloted as corporate-level development targets that would help shape strategy and influence decision making. IFC has been testing the IDGs and expects to start implementing some goals in FY13. Once operational, the IDGs are expected to help implementation of the

strategy along with the existing management instruments, and help IFC assess its progress toward achieving its double bottom line of financial sustainability and development impact.

16.   IFC's internal evaluation covers donor-funded facility reviews, project assessments for investment and advisory services operations, and thematic/product/program assessment for advisory services. In addition, IFC periodically conducts evaluations of projects and programs (conducted by staff or commissioned to external parties). At the strategy level, IFC has increased self-evaluation of Country Assistance Strategy Completion Reports, which are also reviewed by IEG.

17.   The evaluation system in MIGA has evolved over the past decade. IEG has independently evaluated MIGA guarantee projects since 2003, but MIGA did not have a self-evaluation system until one was introduced in 2008 and piloted in 2009. MIGA's management has committed to producing self-evaluations more systematically, while IEG continues to directly evaluate a sample of guarantee projects annually.

18.   Monitoring information and evidence from evaluation contribute to measurement of the development performance of IFC and MIGA. The IDGs are meant to complement IFC's Corporate Scorecard and are intended to communicate development results at the highest institutional level to facilitate strategic dialogue between management and the Board as well as inform ongoing management processes and decision making. MIGA provides a periodic review of its activities and results as mandated in its Convention (Article 67) and has introduced five key performance indicators that measure its performance and productivity.[2] The agency intends to use six of the DEIS indicators to report on development results. The IFC and MIGA systems are both intended to strengthen the results focus, putting it at the core of the management strategy for learning, accountability, and decision making.

Conceptual Framework Guiding this Evaluation

19.   Development agencies, like those in the World Bank Group, invest in M&E to enhance development effectiveness and the quality of their operations. M&E is a management tool for measuring and generating evidence that informs strategy, operations, and learning. To be useful for decision making, the information generated by the system has to be reliable, meet the needs of users, and provide practical guidelines for translating actions into results. A well-functioning M&E system should gather reliable data, record that information in databases, put in place mechanisms to ensure high-quality data, use the information generated to track progress toward results, and provide evidence that can be used to assess performance. Figure 1 illustrates the conceptual framework linking different activities to strengthening the results focus in M&E systems.

Figure 1. The Chain to Achieve Better Results through M&E
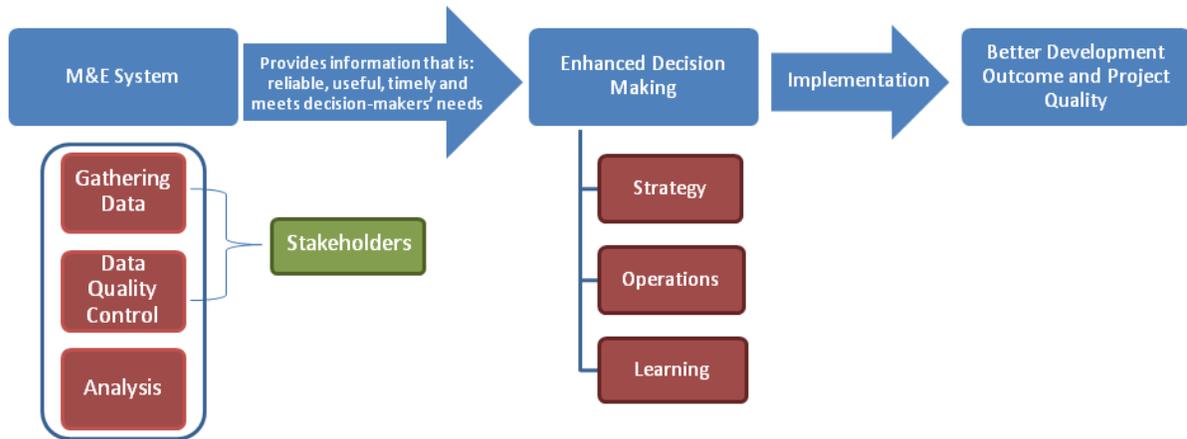
20. This conceptual framework informs the evaluation questions that will be used to assess the functioning and quality of M&E systems at IFC and MIGA. One set of questions focuses on the utility of the information generated for tracking progress and improving evidence-based decision making. An M&E system is expected to strengthen the results focus through timely feedback to influence strategy and operations. The evaluation will use other questions to assess the credibility of systems for gathering data, ensuring data quality, and analyzing data. An M&E system's credibility rests on the quality and usefulness of the information it generates. Inaccurate information may lead to inappropriate decisions, delays in corrective actions, and missed opportunities for learning.

Evaluation Scope, Questions, and Coverage

Scope

21. The proposed evaluation will assess the functioning of the M&E systems at IFC and MIGA and will encompass issues at the strategy and project levels for operations spanning 2008 to 2011. At the strategy level, the focus will be on corporate, regional, and department/sector strategies. Project-level analysis will focus on the design/appraisal, supervision, and evaluation stages of the project cycle.

Evaluation Questions

22. A well-functioning M&E system should provide credible information that is used for evidence-based decision making. It is also important that the system respond to the dynamic context in which IFC and MIGA operate. The overarching evaluation question is: **Are the monitoring and evaluation systems of IFC and MIGA equipped to inform the organizations on their performance and results?** The effectiveness of the M&E system depends on measuring the achievement of desired results. Key criteria for effectiveness are: **relevance**, or the extent to which what is measured matters; **credibility**, or how trustworthy the data collected are to the users of M&E; and **timeliness**, or availability at the right occasion.

23.   The underlying specific evaluation questions are:

1. **To what extent does the mechanism in place ensure that M&E systems generate credible, timely, and relevant information?**

    1.1 What are the processes, methods, and tools for gathering data on private sector operations to achieve development outcomes, and how effective are they at producing credible, timely, and relevant information on development results?

    1.2 What are the processes, methods, and tools for quality control of data that is collected by private sector operations and how effective and efficient are they at ensuring quality?

    1.3 What are the processes, methods, and tools for data analysis and how effective are they at producing credible, timely, and relevant information on how well private sector operations lead to development outcomes?

2. **To what extent does M&E information support evidence-based decision making and learning?**

    2.1 At the project level, to what extent is monitoring and evaluation information used for making adjustments during project implementation and in decisions on new projects?

    2.2 To what extent is monitoring and evaluation information used for strategic decisions? To what extent do the IDGs complement IFC's existing monitoring and evaluation system? To what extent do the IDGs help to achieve private sector development objectives?

    2.3 How effective is the M&E system in capturing, storing, and disseminating lessons that improve decision making based on IFC's and MIGA's experience and information gathered?

3. **What has been the impact of the M&E outputs and use on project quality and development outcomes?**

    3.1. To the extent M&E outputs have been used, has this use translated in better development outcomes and project quality?

    3.2. To the extent that impacts on development outcomes and project quality can be ascertained, are these impacts commensurate with costs?

Methodology and Data Sources

24.   The evaluation will employ multiple instruments to assess the functioning and quality of the M&E systems of IFC and MIGA and will combine data from qualitative and quantitative approaches to analyze and triangulate information from different sources. The data for the evaluation will be gathered from several sources including: policy and procedural documents, IFC investment and advisory services project documents, MIGA guarantee project documents, MIGA M&E databases, staff surveys, and staff and management interviews. Data will also be collected from the Evaluation Cooperation Group of Multilateral Development Banks and similar institutions.

Desk Review of Policies and Procedures

25.   The evaluation will review policies, processes, methods and tools used in current M&E systems for gathering and managing data, quality control, data analysis, and reporting on the development results from monitoring and evaluation of   IFC and MIGA operations.

Review of data collection, management, and archival systems

26.   The team will assess the coverage and quality of various databases that serve results measurements. In particular, IFC's DOTS and IDGs, MIGA's DEIS, and environment and social monitoring systems will be reviewed to determine their adherence to the stated policies, processes, methods, and tools. The team will also review coverage, frequency of updates, and systems of quality control.

27.   The team will review the contents of lessons archives within IFC (namely, "Smartlessons," which mainly covers advisory services operations, and archives of lessons from project self-evaluations in IEG's Lessons Learned database), assess the characteristics of those lessons, and judge their relevance and usefulness to new operations.

28.   The evaluation system for private sector operations will be compared to M&E systems of multilateral development banks working on private sector issues based on benchmarking exercises conducted in the context of the Evaluation Cooperation Group.

Desk Reviews of Project Documents

29.   The portfolio review will consist of a desk review of IFC investment projects evaluated and validated by IEG between 2008 and 2010 and investment operations projects approved between 2008 and 2011. The review will focus on how project objectives are articulated, result measurement systems designed and set up, data gathered and managed, and lessons reflected in decision documents. The review team will be guided by a standard set of questions for systematic review of project development objectives, output and outcomes, and how those outputs and outcomes are connected to actual measurements specified in DOTS. Investment projects' approval, supervision, and DOTS documents will be reviewed in addition to any available evaluation reports (XPSRs).

30.   The population of investment operations will include all operations evaluated between calendar year 2008 and 2011 and active and closed projects that were approved between fiscal year 2008 and 2011. The data will be collected from IFC's management information system. The sampling will be conducted to achieve 95 percent confidence over the population (N=1,365 for FY08-11 approvals, N=311 for CY08-11 evaluation). The final sample will comprise 70 investment projects with XPSRs and 90 recently approved projects.

31.   The portfolio review will also cover advisory services projects completed with IEG-validated project completion reports between 2008 and 2010. IEG systematically records all 275 PCR's results justifications, quality of data, and identification of indicators. Furthermore, a random sample comprising 71 advisory projects will be assessed on whether and how the project monitoring information was reflected during implementation.

32.   A similar portfolio review will be conducted for MIGA projects, based on random sample of guarantees issued between 2008 and 2011, although the focus will mainly be on articulation of development objectives and gaps in supervision and data collection from private sector operators. The team will review all projects approved after the introduction of DEIS (n=50), and summarize documentation and institutional arrangements in managing such data.

33.   This systematic review will be supplemented by IEG's assessment of XPSR quality, through IEG's validation process of XPSRs between 2008 and 2010. The team will prepare an evaluation synthesis based on project-level M&E in IFC and MIGA.[3] This synthesis will rely on the M&E quality reviews in IEG's validations of project evaluations. The analysis will consider the extent of disconnect between the assessment made by management and IEG's views on projects' M&E designs and instruments (IEG systematically records these disconnects). The synthesis will also review the coverage and quality of IFC's internal evaluations as well as those conducted by external parties. The recent IEG evaluation of impact evaluations will be referenced for the assessment M&E at IFC.

Interviews and Surveys

34.   The evaluation will identify the information needs of decision makers by interviewing and surveying management and staff. At the strategy level, the team will interview IFC and MIGA management and relevant staff. Questions to be asked will relate to types of information desired to make strategic decisions for IFC and MIGA, and how the information provided by the M&E systems meets those needs. Interviews are also expected to reveal details of how M&E information is used in decision processes.

35.   At the operational level, a survey will be administered to a sample of investment officers, project officers, M&E officers, strategy officers, economists, and underwriting officers that led the teams for projects approved during the past four years. The questionnaire will focus on M&E applications to screening, appraising, and structuring projects as well as to their supervision. The survey will also ask whether these needs are met by existing M&E or whether they use other information.

Case studies of operations that provide information of evidence-based decision making

36.   A case study approach will be used to provide in-depth insights into the impacts of M&E systems as well as the efficiency of the M&E systems. In the first set of case studies the team will identify areas of IFC operations where significant (above average) improvements in development effectiveness (as determined by the XPSR system) has taken place over time and seek to determine through review of strategies, product documentation, and interviews and surveys the extent to which learning from M&E has assisted in this improvement. This exercise will involve comparisons with other areas of IFC operations to assess the role of M&E in the improvements.

37.   A second set of case studies will provide insights into the efficiency of M&E systems. Efficiency questions will be assessed by cost-effectiveness criteria. A cluster of projects with similar objectives, such as financial sector projects, will be examined to assess the cost of

achieving specific M&E objectives with respect to the intensity with which M&E system information is used. Cost data will be collected on related M&E activities and staffing. Data for use of M&E information will come from staff surveys and interviews.

Limitations

38.   The evaluation covers IFC and MIGA's results measurement systems related to the development outcomes of their operations. Therefore, management information systems related to financial management of the institutions (such as Credit Rating Systems, Capital Allocation and Pricing system, etc.) will not be covered by the evaluation.

39.   Although the proposed evaluation will focus on the functioning and quality of IFC and MIGA M&E systems, many relevant questions are outside its scope. First, the focus will be on systems rather than on the results or performance of World Bank Group operations. IEG's other annual report (Results and Performance of the World Bank Group) covers these issues. Second, the report will focus only on IFC and MIGA. The evaluation will not review the World Bank M&E systems because those systems cover all Bank projects, not just private sector operations. However, the World Bank project evaluation system will be compared to the IFC and MIGA private sector evaluation framework where appropriate. Third, the evaluation will focus on self-evaluation activities; the independent evaluation functions will be outside the scope of the evaluation. IEG has recently completed a separate self-evaluation of its activities, and independent assessments of IEG's activities are commissioned by the Board.

40.   In some cases, it is not possible to generalize findings. For example, insights from the case studies cannot be generalized across the population of IFC's M&E system. MIGA's self-evaluation system and DEIS were recently introduced and could not be expected to generate meaningful performance reporting at this time. This evaluation will not be able to provide conclusive assessment of this system and will only review the implementation status and remaining challenges.

41.   The evaluation will not cover the Country Assistance Strategy Completion Report (CASCR). IFC has participated in the self-evaluation of country assistance strategies since 2007, but its participation has been selective and narrowly focused, and the process and products are fully integrated with the World Bank, so it is not appropriate to evaluate only the limited IFC-related items within the CASCR.

42.   External stakeholders such as clients, donors, and co-financiers are important partners, and their contributions, perspectives, and uses of M&E information are critical. However, this evaluation will focus on IFC and MIGA's institutional arrangements for M&E. Although the evaluation will identify possible benefits of M&E, and costs associated with such activities where they can be quantified, the evaluation will not fully analyze the efficiency of M&E systems.[4] It will provide insights into the perceived benefits and costs as well as limited information on cost effectiveness of M&E systems from the perspective of management and staff and identify areas of improvement in providing value to the parties involved.

Evaluation Output, Dissemination, and Follow-up

43.   The evaluation will be of interest to IFC and MIGA staff that contribute to or use information developed by M&E systems for private sector operations and to external stakeholders interested in results-based M&E systems.

44.   To reach these audiences, IEG will proactively engage with key M&E staff and management in the World Bank Group, both the headquarters and field offices. Separately, IEG will pursue opportunities to present the findings to external groups. To reach these audiences, IEG will engage with Evaluation Cooperation Group members, academia, and the general public when disclosing the report.

Resources

45.   The approach paper was reviewed at an IEG meeting on January 17, 2012, and will be submitted to CODE for review in April 2012. The proposed work program for the rest of the evaluation is shown in Table 2.

Table 2. Proposed Work Program

Tasks	*Dates*
Preliminary research	September 2011 – December 2011
Approach Paper to IEG review	January 17, 2012
Approach Paper to CODE	April 2012
Evaluation work	April 2012 – July 2012
Drafting evaluation report	August 2012- September 2012
Report to CODE	October 2012
CODE discussion	November 2012
External outreach	January – March 2013

46.   The evaluation will be conducted by an IEG team of staff and consultants. The team will be composed so as to adequately cover IFC and MIGA operations. The evaluation report will be prepared by a team of IEG staff, led by Hiroyuki Hatashima, under the supervision of Ade Freeman, Head, Macro Evaluation, Stoyan Tenev, Manager, IEGPE, and Marvin Taylor-Dormond, Director, IEGPE. The team includes senior consultants Wolfgang Gruber and Albert Martinez, and analysts Cheickh Fall, Victor Malca, Sara Mareno, Srinath Sinha, and Erkin Yalcin. The peer reviewers for the evaluation will be Bruce Murray (former Director of Evaluation, Asian Development Bank) and Linda Morra (former Chief Evaluation Officer, IEG).

47.   IEG's communication team is working with the evaluation team from the design stage to ensure continuous coordination in outreach and message formulation for targeted audiences.

48.   This evaluation will maximize synergies with the ongoing evaluation of World Bank Group results and performance (Results and Performance of the World Bank Group 2012),

which includes performance of IFC and MIGA. The portfolio and project evaluation data updated for that report will also be used in this evaluation. The findings on the use of M&E information in operations are also expected to complement the findings of the Results and Performance report on effectiveness of the World Bank Group in improving the performance of its operations.

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Attachment I Evaluation Design Matrix

Overarching question: **Are the monitoring and evaluation systems of IFC and MIGA equipped to inform the organization on their performance and results?**

Key questions	Information required	Information sources	Data collection method	Data analysis method	Limitations
1. **To what extent does the mechanisms in place ensure that M&E systems generate credible, timely and relevant information?**					
1.1. What are the processes, methods, and tools for gathering data on private sector operations to achieve development outcomes, and how effective are they in terms of producing credible, timely and relevant information on development results?	Policy and procedure for data gathering Frequency of updates, control of records Extent to which baseline data are collected and data are collected on periodic basis	IFC, MIGA, operations policies, and their application	Desk review Synthesis of previous IEG findings (impact evaluations) Sample-based review of evaluation reports	Qualitative Descriptive statistics	Example or case may not be representative Changes in process or procedures subsequent to evaluation
1.2. What are the processes, methods, and tools for quality control of data that is collected by private sector operations and how effective and efficient are they in terms of ensuring quality?	Policy and procedure for quality control Description of quality control practices Quality of M&E information from IEG verification	Procedural manuals and actual practices of quality control IEG micro-level verification (XPSR, PCR, PER)	Desk review Synthesis of micro project evaluation reports	Qualitative Descriptive statistics	Example or case may not be representative Changes in process or procedures subsequent to evaluation
1.3. What are the processes, methods, and tools for data analysis and how effective are they in producing credible, timely and relevant information on how well private sector operations lead to development outcomes?	Policy, procedure, and tools for data analysis	Procedure manuals, policy documents, and databases (corporate strategy and project-level indicators) Types of information generated by the M&E information	Desk review Synthesis of micro project evaluation reports, IEG evaluations	Qualitative Descriptive statistics	Changes in process or procedures subsequent to evaluation
2. **To what extent does M&E information support evidence-based decision making and learning?**					
2.1. At the project level, to what extent is monitoring and evaluation information used for making adjustments during project implementation and in decisions on new projects?	Evidence of adjustment made at project implementation, and reflection of lessons or M&E information in new projects.	Project evaluation Management and staff opinions Supervision reports	Desk review Synthesis of micro project evaluation reports, IEG evaluations Staff survey and interviews	Qualitative Descriptive statistics Synthesis of responses Content analysis of interview data	Example or case may not be representative

Key questions	Information required	Information sources	Data collection method	Data analysis method	Limitations
2.2. To what extent is monitoring and evaluation information used for strategic decisions? In the case of IFC, to what extent the IDGs complement the existing monitoring and evaluation system? To what extent IDGs helps to achieve private sector development objectives?	Evidence of use of M&E information in evaluative analysis explaining what works and why Management and staff use for M&E information for their decisions M&E information available for management and staff Evidence of use of M&E information in strategy discussions and documents	Management and staff opinions Views of decision makers on demand for M&E information Information presented in IFC strategic documents, MIGA corporate strategy documents Records of information used in IFC's corporate strategy sessions	Desk review, synthesis of micro project evaluation reports, IEG evaluations Staff survey and interviews Database review of DOTS and IDGs	Qualitative Descriptive statistics Synthesis of responses Content analysis of interview data	Changes subsequent to evaluation
2.3. How effective is the M&E system in capturing, storing, and disseminating lessons that improve decision making based on IFC's and MIGA's experience and information gathered?	Lessons drawn from M&E	Knowledge management databases (i.e., "smart lessons") Management and staff opinions on lessons achieving, dissemination and use.	Desk review of knowledge management databases Staff survey and interviews	Qualitative Descriptive statistics Synthesis of responses Content analysis of interview data	Informal learning not fully captured in knowledge management system
3. What has been the impact of the M&E outputs and use on project quality and development outcomes?					
3.1. To the extent M&E outputs have been used has this use translated in better development outcomes and project quality?	Projects or strategies with significant improvements in development effectiveness over time, extent to which learning from M&E has played role in this improvement.	Monitoring and evaluation records, project documents Management and staff opinions	Case studies of operations that provide information of evidence-based decision making, comparisons with other areas of IFC's operations to assess the role of M&E in the improvements.	Qualitative Content analysis of interview data	Example or case may not be representative May be difficult to attribute M&E to the positive results
3.2. To the extent we can ascertain impacts on development outcomes and project quality are these impacts commensurate with costs?	Estimated benefits of use and costs associated with evidence-based decisions.	A cluster of projects with similar objectives (such as financial sector projects) to assess the cost of achieving specific M&E objectives with respect to the intensity of utilization of the respective M&E system information.	Desk review of IFC data Cost data on related M&E activities and staffing. Data for utilization of M&E information by staff surveys and interviews.	Qualitative Content analysis of interview data Comparison of estimated costs and benefits	Example or case may not be representative

Endnotes

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[1] Although monitoring and evaluation are complementary, they perform separate and distinct roles in a results framework (Kusek and Rist 2004: 14). Monitoring translates objectives into performance indicators and sets targets. It routinely collects data to give information on where a policy, program, or project is relative to targets and outcomes. Information from a monitoring system reports progress on outcomes, and provides evidence for making adjustments during project implementation. Evaluation provides a more systematic assessment of planned, ongoing, or completed interventions. It provides insights into why intended results were achieved or not and on the causal relationships between interventions and results. Evaluation can therefore be more detailed, time consuming, and involve greater costs.

[2] The five indicators are MIGA's gross issuance, number of new projects, guarantees for IDA countries, return on operating capital, and ratio of administrative expenses to net premium income.

[3] IEG project evaluations since 2008 (when the last review was conducted for IFC) consist of 169 Expanded Project Completion Reports (XPSRs) for IFC investments reaching early operational maturity in CY08-10; 276 Project Completion Reports (PCRs) for IFC Advisory Services operations closed in FY09-10; and 21 MIGA Project Evaluation Reports (PERs) for guarantees reaching early maturity during FY08-11.

[4] One study on M&E concluded that they "could not find any studies that estimated the value added of strong versus weak M&E….one would need good M&E to assess the extent of foregone benefits from weak M&E. For such estimate to be credible each project would have to have two randomly allocated M&E systems in place – a good one that assessed the inputs, outputs and outcomes of the projects in a reliable way and one that did not. We could not find an experiment like this and in any case it is ethically questionable." (Haddad and others 2010: 21)