

IMPACT SUMMER INSTITUTE

Evaluating Together: Expanding Thinking and Strengthening Practice



FINANCING MONITORING & EVALUATION

A SELF-STUDY TOOLKIT

Prepared by Silva Sedrakian

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Introduction

Monitoring and evaluation (M&E) related activities need to be planned and properly budgeted at the early stages of program implementation planning. In fact, monitoring and evaluation activities are integral part of a program or an intervention/project and the related expenses should also be included in the program's overall budget. This will allow project managers and others to secure funds for the M&E activities as part of the project overall cost. It is important to mention that the M&E costs must not be considered as organizational overhead costs (e.g. administration).

The purpose of this paper is to guide the reader on ways to plan and budget M&E activities using tools.

Monitoring and Evaluation Resources

Conducting monitoring and evaluation activities need proper resources. The related expenses for M&E activities are:

- Staff time
- Consultancy expenses
- Field data collection and analysis
- Office equipment (e.g. computer, phones, etc...)
- Logistics (car, fuel, accommodation, etc...)

Though these expenses are needed for conducting M&E activities, they may be included as part of the ongoing program activities and may not necessarily need additional funding. For instance, some logistics' expenses that may have been already planned for conducting routine program activity can also be considered as an ongoing monitoring activity and does not need to be budgeted separately.

Planning M&E as part of the entire program planning will in fact help the team avoid double counting and manage properly the activities.

Planning and Budgeting Monitoring and Evaluation Activities

Most organizations do have formal policies in place for monitoring and or evaluation which include a set percentage of program budget to be allocated to M&E activities. For instance, USAID evaluation policy states: *“USAID will devote approximately 3 percent of total program dollars, on average, to external performance and impact evaluation. This is distinct from resources dedicated to monitoring”*.

Having an institutional policy in place can assist the program team in making the case for M&E expenses and can be used as a guide for planning. Nevertheless, M&E activities need to still be planned and budgeted. There is no set formula for determining the budget for a project/program’ M&E activities. A general rule of thumb is that the M&E budget should not be so small as to compromise the accuracy and credibility of results, but neither should it divert project/program resources to the extent that programming is impaired¹. Usually, M&E budget constitute 3% to 10% of the overall project/ program’s budget.

Though, it may not be easy to estimate the cost of the M&E activities at the early planning stage, the starting point is to include estimated cost while developing monitoring and evaluation plan².

Examples of some tools are provided below.

¹ IFRC, *“Project/programme monitoring and evaluation (M&E) guide”*. 2011

² Monitoring and Evaluation Plan is a document that includes the requirements and strategies for conducting monitoring and evaluation for a particular project/program.

Focus of Monitoring Table

In this table, the focus of monitoring areas is defined. Remember to add a column for estimated cost:

Focus of Monitoring	Indicators	Data Source	Responsible	Estimated Cost
Project activities	—			
Outputs				
Outcomes				
Impact				
Assumptions	—			
Other relevant activity (e.g. change in context)				

Indicator Tracking Table

Example of indicator tracking table³ that includes estimated cost (see example below):

Indicator	Source of Information	Method of Collection	Responsible	Frequency/ Time Frame	Cost
Outcome: 90% of targeted communities in Baluchistan Province have improved health conditions by January 2016					
Number of reported affected cases is reduced	Regional health centre Local health centres	Documentation review Interviews with communities Interviews with health posts	Health Program Officer	End of the project	\$\$\$
Output: at least 90% of targeted community members are vaccinated against Measles					
Vaccines are available at 50 targeted health centres	Health centres inventory Nurses Communities	Inventory review Interviews FGD with communities	Field Officer	End of December	\$\$\$

Note: It may not be easy to estimate the cost of monitoring for each indicator. Moreover, on single tool/method may be needed to collect a group of indicators together, so the cost for collecting the data will cover all these indicators.

³ Indicator tracking table is a data management tool that includes data collection plan for all identified indicators.

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