



THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA

DEPARTMENT: PERFORMANCE MONITORING AND EVALUATION

DPME Guideline No 3.1.5

Functions of an M&E Component in National Government Departments

Created in July 2012

Addressed to	Directors-General and Heads of M&E in National Government Departments
Purpose	The purpose of this guideline is to provide generic guide on the functioning of M&E units in national government departments
Reference documents	<p>This guideline draws from a FOSA discussion paper on "Monitoring & Evaluation Components In National Government Departments"</p> <p>Links to:</p> <ul style="list-style-type: none">• MPAT Framework (2011)• Improving Government Performance: Our Approach (2009)• The Presidency Policy Framework on the Government-wide Monitoring and Evaluation System (GWM&ES) (2007)• The Presidency: DPME National Evaluation Policy Framework (2011)
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1. BACKGROUND

- 1.1 This guideline is based on the discussion document on the functions and structural arrangements for monitoring and evaluation (M&E) units in national government departments which had been prepared on the request of FOSAD MANCO.
- 1.2 Much of the contents of this guideline will be applicable to provincial departments as well. There is an existing guide for the role of Premiers' Offices in Government-wide Monitoring and Evaluation, which was produced by the Presidency in 2008. DPME will engage in discussions with the Offices of the Premier regarding the possibility of updating the existing guide for Premiers' Offices or producing a separate guide for provincial departments, drawing on this guideline for national departments.

2. INTRODUCTION

2.1 Monitoring

- 2.1.1 Monitoring is a management function that should, in principle, be undertaken by all managers. Monitoring involves "collecting, analysing, and reporting data on inputs, activities, outputs, outcomes and impacts as well as external factors, in a way that supports effective management."

Thus, it is important that all managers include monitoring as one of their key managerial functions in their performance agreements.

- 2.1.2 Departmental monitoring data should come from the normal business processes in a department, in other words, through the department's administrative data systems. Monitoring and reporting is then based on an extraction of key information points (often in the form of indicators) from these sources.
- 2.1.3 Departments should also collect and analyse data related to their sectors from other sources. For example, the Economic Development Department will need to collect and analyse data on the economy from a wide range of sources. Departments which are responsible for concurrent functions need to collect and analyse data from provincial and/or local governments as well.
- 2.1.4 There are many other issues that all managers should monitor on a regular basis. This includes, for example, monitoring of expenditure against the budget for which they are responsible, and monitoring of progress against programme and project plans. Examples of programme plans include plans for the Maternal Health Programme, the Early Childhood Development programme, and the Expanded Public Works Programme. Examples of project plans include plans for individual infrastructure projects and projects such as the Square Kilometre Array project. Monitoring of programmes and projects should be carried out by the relevant programme and project managers in the department.
- 2.1.5 When monitoring and reporting, managers should not just use 'tick-box' and 'post-box' approaches. Managers should not be disengaged from the information in the report. Managers should assess and review progress made in line with the initial measurable objectives and associated indicators. Thus, each report should assist managers to identify areas where improvements are required in policies, plans and their implementation. Monitoring is in essence a management tool for improving performance.
- 2.1.6 When establishing an M&E unit in a department, there is a risk of an unintended consequence of managers believing that it is no longer their responsibility to engage in monitoring and reporting work related to their sections. There is a risk that managers will take a view that monitoring and reporting is now the responsibility of the M&E unit, and no longer their responsibility. This does not mean that departments should not establish M&E units. However, Heads of Department need to make it clear to all managers that they are still responsible for monitoring and reporting related to their areas of work, despite the establishment of the departmental M&E unit.
- 2.1.7 There are other corporate units in departments which have monitoring and reporting responsibilities, including, for example, the internal audit, finance and human resource management sections of departments. Again, the creation of an M&E unit in a department should not mean that the other corporate units should stop carrying out their existing monitoring and reporting responsibilities.

2.2 Evaluation

- 2.2.1 Evaluation is defined as a periodic and "systematic collection and objective analysis of evidence on public policies, programmes, projects, functions and organizations to assess issues such as

relevance, performance (effectiveness and efficiency) and value for money, and recommend ways forward." Evaluation is critical for generating in-depth evidence for improving performance and decision-making.

- 2.2.2 The evaluation aspect of M&E is a highly specialised function that requires highly skilled human resources. Evaluation requires the use of sophisticated research methodologies, applying these to policies, plans, programmes, projects or organisations.
- 2.2.3 The MPAT assessments for 2011/12 showed that only 13% of national and provincial departments periodically undertake evaluations of major programmes and use the findings to inform programme improvements.
- 2.2.4 In 2011, Cabinet approved the National Evaluation Policy Framework (NEPF) for national and provincial government. In a nutshell, the NEPF provides for the development of annual and three year national and provincial evaluation plans, minimum quality standards for evaluations, and the development of improvement plans to address evaluation findings. It states that evaluations in the National Evaluation Plan should be led by line function departments with technical support to be provided by DPME.
- 2.2.5 A specialist evaluation unit is being built in DPME in order to provide technical support to national and provincial departments to carry out evaluations.

3. GENERIC ROLES OF A CENTRAL M&E UNIT IN A NATIONAL DEPARTMENT

An M&E unit in a national government department could generally be expected to perform some or all of the following functions:

3.1 Development of a departmental monitoring framework

It is helpful for a department to have a monitoring framework or plan which sets out what needs to be done by whom and when for the various aspects of monitoring described in section 3.2 to 3.7 below.

3.2 Monitoring of the sector

As mentioned in section 2 above, departments should also collect and analyse data related to their sectors from other sources, and departments which are responsible for concurrent functions need to collect and analyse data from provincial and/or local governments as well. The central M&E unit could coordinate this data collection and ensure that the various branches obtain the data and analyse and use it.

3.3 Reporting against predetermined objectives in annual performance plans

- a) Work with the planning unit (if the planning unit is a separate unit) to ensure that the indicators and targets in the strategic plan and annual performance plan are SMART and in line with the National Treasury's Framework for Managing Programme Performance Information (FMPPPI)

- b) Check that each branch of the department has adequate plans and business processes in place to collect the required information to report against each of the targets in the annual performance plan, and provide technical advice to branches in this regard where necessary
- c) Analyse and verify performance data produced by the branches of the department to ensure that it meets the requirements of the FMPPI and where necessary engage with branches to assist them to improve the quality of their performance data
- d) Collect branch quarterly and annual progress reports against measurable objectives in the annual performance plan from the various branches of the department
- e) Engage with the branches of the department to improve the quality of the branch progress reports against the predetermined objectives
- f) Using the branch inputs, compile whole-of-department quarterly and annual progress reports against predetermined objectives
- g) Arrange for departmental top management or senior management meetings to discuss the draft whole-of-department quarterly and annual progress reports against predetermined objectives before they are finalised, with a focus on areas where there is under-performance and identification of ways of addressing the under-performance.

3.4 Reporting against delivery agreements for the outcomes (for departments which make substantial contributions to the delivery agreements)

3.4.1 Coordinating departments for outcomes

- a) An outcome coordinating department is responsible for producing quarterly progress reports against the outcome to Cabinet, and for populating the POA with regard to progress against the delivery agreement
- b) This involves:
 - Ensuring that each department which contributes to the outcome is aware of their precise commitments and has translated these into measurable indicators and targets and incorporated these into their departmental programmes
 - Liaising with the planning units of all the contributing departments to ensure that each department's commitments to relevant delivery agreements are translated into appropriate indicators and targets in their APPs, and where relevant, plans and shareholder agreements for public entities
 - Timeously collecting information from contributing departments in order to prepare the quarterly progress reports and capture data on the POA
 - Analysing the information collected from the contributing departments and preparing a quality outcome progress report for Cabinet
 - Liaising with DPME to obtain technical support to ensure that the above system works and that reports meet the requirements as approved by Cabinet
- c) The coordinating department should ideally use its M&E unit to coordinate outcomes reporting and not create a separate unit.

3.4.2 *Contributing departments for outcomes*

- a) Liaise with the planning unit (if a separate unit) within the department to ensure that the department's commitments to relevant delivery agreements are translated into appropriate indicators and targets in the department's APP
- b) Be the liaison point between the department and the M&E unit in the coordinating department with regard to making contributions to the quarterly reports
- c) Provide the M&E unit in the coordinating department with quarterly progress information on all the relevant indicators and targets timeously

3.5 **General reporting requirements**

Departments are frequently requested to provide other reports, for example to Parliament or Chapter 9 organisations. Another example is to report on the department's contribution to South Africa's international agreement commitments. Where such reports require the integration of inputs from various branches of the department, it is useful for the M&E unit to play such an integrating role. However, where a report only requires an input from one branch, the branch head should be responsible for producing the report. The reason for this is that the people in the branch are the most knowledgeable people about the work of the branch, and because monitoring and reporting are management functions that should be undertaken by all managers.

3.6 **Departmental monitoring**

- 3.6.1 Departments may have other monitoring programmes which may need to be managed or coordinated by a central M&E unit. For example, a department which delivers services directly to the public (such as Home Affairs) may have a frontline service delivery monitoring programme or a turn-around programme which involves the monitoring of a range of efficiency indicators, and which cuts across the various branches of the department. A department responsible for a concurrent function may be involved in various initiatives to monitor the performance of provincial counterparts, such as the national Department of Health is currently doing with regard to the facilities audit.
- 3.6.2 There may be other indicators which a department may wish to monitor in addition to those required for quarterly reports against the APP or quarterly reports on the outcomes. While individual branches may monitor these for their own purposes, a central M&E unit may need to use some of this data to be able to show top management or senior management what progress is occurring and where problems lie.
- 3.6.3 Departments may also require their central M&E units to monitor a range of issues related to governance and management in the department (such as those captured in the MPAT assessment process).

3.7 **Monitoring of public entities**

Departments with public entities falling under them have monitoring responsibilities in this regard. This monitoring could be carried out by a central M&E unit, or by a separate public entity management unit or units, or by a branch. Management of a public entity is broader than M&E, and

can include functions such as negotiating shareholder contracts and processing applications in terms of various clauses of the PFMA.

3.8 Rationalising monitoring and reporting

3.8.1 Ideally, departmental monitoring data should be extracted from the department's administrative data systems. The same data should be used to meet various reporting requirements. However, some administrative data systems are under-developed and consequently each new reporting requirement leads to the development of a new and separate data collection and monitoring system. This can lead to overlapping, duplicate and parallel data collection and monitoring systems in a department. One of the key roles of a central M&E unit in a department should be to work with branch managers to ensure that this is avoided.

3.8.2 There is a general problem in government of overlapping and duplicate reporting requirements. Departments are requested to provide reports to a wide range of bodies, some of which request the same information but in different formats. One of the roles of a central M&E unit in a department could be to liaise with the bodies requesting the reports to negotiate rationalisation such that different bodies can use the same reports, to reduce the reporting burden on the department.

3.9 Development of departmental information management systems

3.9.1 The central M&E unit should work with branch managers to improve the quality of the information management systems in the department, or to put them in place where they are absent. 'Information management systems' includes data flows, business processes for managing data, and roles and responsibilities for capturing and managing data, in addition to IT systems. As far as possible, information management systems should be integrated with the management systems used to manage work in the department. For example, managers in the Department of Home Affairs regularly collect and analyse productivity data for various units in the department which manufacture ID books and passports. On the basis of this analysis, the managers take actions to improve productivity. The same information is used to produce departmental reports on the production of ID books and passports.

3.9.2 The central M&E unit should be involved in the procurement of IT systems for monitoring and reporting. This procurement process would normally be led by the branch managers with the support of the IT unit and supply chain management unit of the department. The M&E unit should also be involved to ensure that duplication of effort and lack of integration among various information systems in the department and sector is avoided. DPME is in the process of producing IT guidelines for M&E.

3.10 Evaluations

- a) Liaise with programme managers to identify the programmes which should be evaluated, and ensure these are budgeted for
- b) Carry out design evaluations on behalf of the department to check that programme and project designs are robust and likely to succeed
- c) Coordinate the development of a three year departmental evaluation plan

- d) Liaise with programme managers to suggest evaluations to be included in the annual and three year national evaluation plan
- e) Work with DPME on evaluations included in the national evaluation plan, as well as for technical support on other evaluations
- f) Facilitate and coordinate the implementation of evaluations in the department, provide technical support to the programme managers commissioning evaluations, and ensure that evaluations are of good quality
- g) Ensure that improvement plans are developed based on evaluation results, that these are monitored and that the findings are incorporated in subsequent planning and budget processes. For those in the National Evaluation Plan, reports will be provided to DPME for submission to Cabinet
- h) Ensure that suitable communication materials are developed and disseminated to different audiences based on evaluation results
- i) Maintain a departmental website where all evaluations conducted by the department are accessible (unless there are security concerns), including the data and metadata.

4. ORGANISATIONAL DESIGN CONSIDERATIONS

4.1 The relationship between planning and M&E

- 4.1.1 Planning and monitoring and evaluation are inextricably linked to each other - it is not possible to monitor and evaluate effectively if there are no clear plans to monitor and evaluate against.
- 4.1.2 When establishing an M&E unit in a department, there is a risk of an unintended consequence that the establishment of the unit will result in an alienation of the M&E function from the planning function. For example, a department may have a planning unit which is responsible for the production of the strategic plan and the annual performance plan, and a separate unit which is responsible for M&E, including the preparation of the parts of the annual report which deal with reporting of performance against the measurable objectives in the annual performance plan. This can result in problems if the two units do not work closely together. There is a risk that the planning unit may formulate the indicators and targets in the annual performance plan in such a way that the M&E unit struggles to measure them, or that the planning unit may include indicators for which the department does not have the necessary information management systems in place.
- 4.1.3 The ultimate purpose of carrying out M&E is to inform improvements in performance and service delivery. It is therefore imperative that the results of M&E are incorporated into planning processes. Again, there is a risk of an unintended consequence that the creation of a separate M&E unit without close links to the planning unit will lead to the results of M&E not being incorporated into the planning process.
- 4.1.4 It is recommended that departments consider the links between planning and M&E carefully when designing their organisational structures. For small departments, it may be best to locate the planning and M&E functions together in one unit. For larger departments which require larger planning and M&E staff complements, it may be necessary to have separate planning and M&E units. However, it is recommended that, where the planning and M&E functions are located in separate units, ways be found to reintegrate the work of the two units. For example, this could be done by ensuring that the planning and M&E units report directly to the same person.

4.2 The relationship between M&E and implementation support

Some national departments, such as those responsible for concurrent functions, need to provide implementation support to other bodies such as their provincial counterparts. This intervention support will often be informed by the results of monitoring and evaluation. It may therefore be logical to place the personnel providing such support in the same unit as the M&E personnel, or in a unit which reports to the same supervisor.

4.3 Location of the M&E unit

- 4.3.1 Given the roles of the M&E unit to integrate the reports of various branches, to provide a quality control function over these reports, and to provide evidence to inform strategic planning and budgeting processes, a central M&E unit will probably function more effectively if it is located in the office of the Director General and if the Director General is seen to be personally managing the work of the unit. If a department has an organisational design where a COO is in charge of the other DDGs, then an M&E unit may also function effectively if it is located directly under the COO.
- 4.3.2 In addition to the centralised departmental M&E unit, which should be under the DG or in some cases the COO, in some instances some departments may need to create specialised monitoring units within individual branches, especially in cases where the department has a very strong monitoring role to play in the sector or transversally in government. For example, the EPWP branch of the Department of Public Works focuses on monitoring and reporting related to the implementation of the EPWP by other national departments, provinces and municipalities. There is therefore a motivation for the EPWP branch to have a specialised monitoring unit which is separate from the central M&E unit in DPW, given that the central M&E unit in DPW focuses on the work of DPW itself.
- 4.3.3 Evaluation is a form of research, and as such if there is a research function in the department it would also make sense to link these two functions.

4.4 Competency requirements

Senior officials in a central M&E unit need to be fully informed and up to date on the policy and strategy issues of the department concerned, if the M&E unit is to be effective.

In order to carry out the functions described above, an M&E unit should include staff with the following competencies:

- a) M&E leadership – able to develop and communicate the importance of M&E
- b) Ability formulate SMART indicators
- c) Have a good knowledge of the theory of results-based management and applying results-based management in organisations
- d) Knowledge of the theory of monitoring and in a large department, one person at least should have a solid grounding in evaluation and research
- e) Information management, data analysis and reporting skills (being able to produce good quality reports timeously)

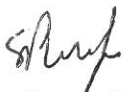
- f) Ability to clearly articulate and communicate key messages about the work and the performance of the organisation, at the highest levels
- g) Coordination, interpersonal and facilitation skills, to work effectively with and through different branches, as well as with external stakeholders
- h) Familiarity with the whole-of-government planning, budgeting, M&E and reporting cycles and the roles of oversight bodies (e.g. Parliament and Chapter 9 institutions)
- i) A strong grasp of compliance issues (e.g. PFMA, PSA, Treasury Regulations, PSR, FMPPI, Auditor General Act) and policy environment (FMPPI, National Evaluation Policy Frameworks, GWMES)
- j) A good understanding of the context of departmental planning, including the MTSF, Programme of Action

DPME is currently carrying out an exercise to develop competencies for government staff who commission evaluations (programme staff as well as M&E staff) and for evaluators.

5. CONCLUSIONS

- 5.1 Monitoring and reporting are management functions that should, in principle, be undertaken by all managers. The creation of central M&E units in departments should not negate this fundamental principle.
- 5.2 Evaluation is a highly specialised function that requires highly skilled human resources with research skills.
- 5.3 There are certain generic roles and responsibilities which need to be carried out by a central M&E unit in a department. This unit may take many forms. In a small department it may be an individual under the DG, who may also be responsible for departmental planning. In some departments it may be a unit which is responsible for both M&E and planning. Key principles are that the unit should report directly to the DG (or to the COO if the COO supervises the other DDGs), and that the work of the M&E unit should be closely integrated with the work of the departmental planning unit.
- 5.4 M&E will not add value if departmental strategic and annual performance plans, as well as plans for implementation programmes, are not of good quality. If the plans do not correctly identify the strategic interventions required to improve the performance and service delivery of the department or sector, then an emphasis on M&E will not add much value. It could result in good quality measurement of the wrong things.

Signed



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