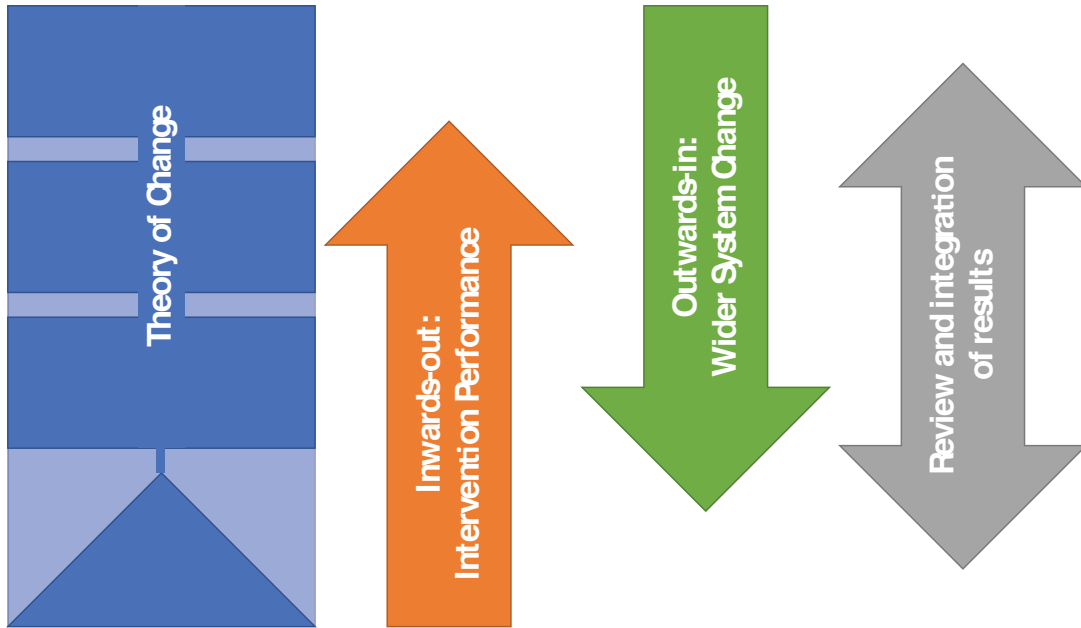# Monitoring, evaluation and learning (MEL) in economic development

To become an effective change agent in dynamic systems, continuous learning and adjusting are essential. Interventions should not only be assessed retrospectively but continuously, so that they can be adapted on an ongoing basis. It is important to establish feedback loops that allow us to understand early whether an intervention is working in the way it was intended to. It is critical to build up a learning culture in the team. This culture needs to foster personal curiosity, support experimentation, accept failure, and value learning and continuous improvement.

The Monitoring, Evaluation and Learning (MEL) framework presented here is geared towards learning and adjustment, but also allows accountability to donors and other stakeholders. It is based on four elements: 1) a Theory of Change, 2) an inwards-out measurement element, 3) an outwards-in measurement element, and 4) a review and integration of results (Figure 2). These elements are now introduced in turn.

Figure 2: The four elements of the MEL Framework

Theory of Change

Inwards-out: Intervention Performance

Outwards-in: Wider System Change
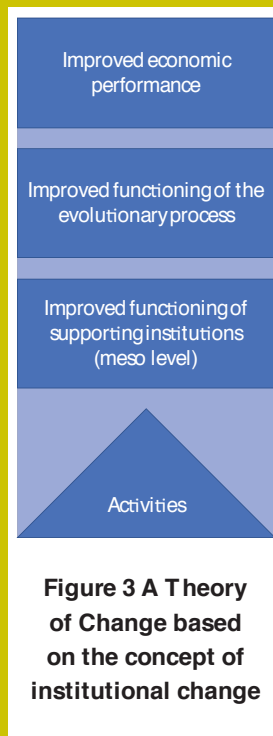
Review and integration of results

1. Theory of Change

A Theory of Change which is sensitive to complexities and uncertainties in economic development shapes the centre of the framework. It makes the hypothesis of the initiative explicit as to how its interventions are intended to achieve change.

Change in complex systems often does not occur as a neat string of events that are causally connected – i.e. where one event causes the next to occur. It is rather the case that many changes in different places lead to a situation where change on the system level emerges. Hence the exact shape of change and the causal chains

Improved economic performance

Improved functioning of the evolutionary process

Improved functioning of supporting institutions (meso level)

Activities

Figure 3 A Theory of Change based on the concept of institutional change

from interventions to final objective are impossible to establish. Consequently, constructing a Theory of Change must at least partly rely on a theoretical or conceptual understanding of how change occurs in an economy. For example, from the field of New Institutional Economics, we know how important certain market and non-market institutions are for economic performance. This knowledge can be used to construct a Theory of Change (Figure 3).

A Theory of Change is not a fixed framework that acts as a blueprint for the implementation of a project. It is a living map of the team's understanding of the situation, and the team should at all times be prepared to tear it up and start anew.

Theories of Change build the backbone of a team's learning efforts. The theories are continuously built up from the beginning when the team starts to map out their hypotheses of what is going on in a system and how they intend to change that through the project. This backbone then continuously grows and changes over the whole lifetime of a project.

2. Monitoring intervention performance

The second element of the MEL framework focuses on monitoring intervention performance. This involves taking an 'inwards-out' perspective by monitoring the progress of individual interventions, starting with the project's activities and then moving outwards to examine the effects of the interventions. This element includes measuring indicators at different points along the intervention logic, and also looking for unintended consequences and other factors that influence intervention performance.

Each intervention needs a coherent logic explaining why it is going to be effective. This logic often takes the form of different steps following each other in a logical sequence. This can be a temporal sequence that does not pin down exact one-to-one causalities but rather aims to foster emergence or a chain of causal events (often called a results chain)[2]. Which approach to operationalising an intervention logic depends on the stability and predictability of the context.

Along this logical sequence, the team needs to define measurement or observation points. For measurement points indicators are defined. This is possible if the exact type of change can be plausibly and reliably predicted. Where we are not sure how the change will look, we need to include open observations to detect what kind

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[2] An alternative model to linear results chains used to conceptualise and operationalise systemic change is presented here: https://www.jenal.org/want-to-measure-systemic-change-heres-a-refined-complexity-sensitive-framework/

of change is occurring or not. Appropriate measurement or observation approaches then need to be defined and assigned to people responsible for implementing them.

3. Wider system change

In addition to intervention performance, an assessment of changes in the wider context is important, regardless of whether the changes have been caused by the project or not. This involves observing changes in the context and then considering how the project might have contributed towards them, or how they might influence the project's future strategy. This element provides an 'outwards-in' perspective, which may also be useful in identifying new opportunities in the market.

This element is a mix of continuous context analysis and the search for possible changes that result from project interventions. For the latter, a useful technique is the outcome-harvesting approach. Outcome harvesting collects evidence of what has changed and then, working backwards, determines whether and how an intervention has contributed to these changes[3].

This element needs to remain open to unexpected change and unintended consequences of the project's interventions. It is less about confirming the hypotheses incorporated in the Theory of Change and more about openly scanning for changes, without knowing precisely what to look for.

While dedicated outcome-harvesting exercises can be organised at specific points in time during the project – for example every year – the spirit of capturing wider system change should be part of the every-day work of the team. Continuous field observation helps the team to capture what is changing and include it in regular review sessions.

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[3] See http://www.betterevaluation.org/en/plan/approach/ outcome_harvesting

4. Review and integration of results – where the learning occurs

The actual learning occurs when the team members sit down together and ask: What do the data and observations tell us? What is really going on? Why is this happening? How does that make sense? How does this fit our hypotheses and Theory of Change?

Reviewing and integrating of the monitoring results brings together the results of the 'inwards-out' and 'outwards-in' elements. This is a process to establish a plausible narrative on the effects of the project and its interventions. It provides the basis for adapting interventions as well as for reporting to funders, project partners, beneficiaries and other relevant actors.

In any project there are different levels of review that take place at different frequencies, so different review cycles are needed. Short cycles take the form of daily informal reviews of each individual team member, which reflects on his or her day individually or in a small group. Reviews can be held as part of the weekly team meetings to reflect on and connect observations or data from the performance monitoring. Longer cycles are part of more strategic reviews of the intervention portfolio or, even less frequently, the review of the overall Theory of Change. The aim of more frequent reviews is to optimise interventions. In less frequent reviews the appropriateness of the chosen strategy is discussed. An organisation's vision or intent is reviewed even less frequently and incorporates the results of many different projects or change initiatives.

Resourcing MEL

What part of its budget should an organisation or project invest in MEL? This question cannot be answered in general but needs to be specific to the situation.

MEL needs to be firmly integrated in day-to-day management, both in terms of resources and staffing. Operational staff need to take responsibility for data collection for MEL. A project officer, for example, should not just implement what has been planned for him or her to implement, but should also be curious about what happens as a result and should attempt to find out why. Dedicated MEL staff can focus on methodological support for more formal data collection, larger surveys and outcome-harvesting exercises, making sure that the review of project progress integrates different data sources. Besides that, MEL staff can also engage in documentation and knowledge management.

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