

DONOR DEMANDS

NGOs often receive money, or other kinds of support, from donors. In return, donors may place demands on NGOs' monitoring and evaluation (M&E) systems. Donors can help enhance M&E in supported organisations in many ways. However, too much donor pressure on NGOs may have adverse effects on their M&E systems. This can create tensions that need to be managed.

Many CSOs generate their own income, or are staffed largely by volunteers. Others, especially non-governmental organisations (NGOs) based in both the North and South, receive money, or other kinds of support, from donors. Donors may be individuals or institutions. Institutional donors fall into a number of different categories:

- International aid agencies, such as the Danish International Development Agency (Danida) or USAID;
- Multilateral agencies, such as the World Bank or United Nations Development Programme (UNDP);
- Government bodies supporting NGOs in-country; and
- Private sector donors, including private foundations and trusts.

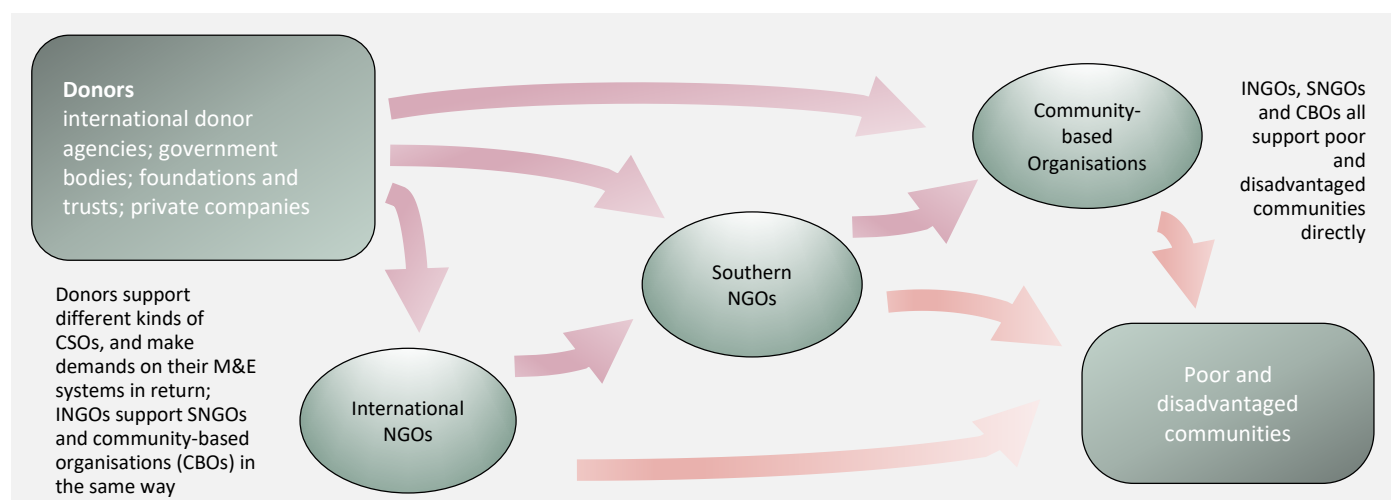
NGOs may be donors as well as recipients of aid money. For example, International NGOs (INGOs) often run programmes through NGOs based in the Global South (SNGOs). This means passing on some of the money they receive from donors, and becoming in turn a donor to other organisations (see diagram below).

Sometimes there is the equivalent of a donor relationship within large NGOs. For example, NGO head offices may provide money to country or field offices. This means the relationship is similar to a donor-recipient relationship (Humentum 2019).

Institutional donor support is rarely provided without expecting something in return. For example, NGOs

receiving funds from donors are almost always expected to account for any money they receive, and ensure that it is spent for its intended purposes. In addition, donors often place demands (or expectations) on recipient NGOs' planning, monitoring and evaluation (PME) systems (see box below).

Demands on NGO PME systems	
•	NGOs may be expected to develop theories of change to suit donor agencies
•	They are often expected to develop logical frameworks or similar kinds of results frameworks
•	They may have to set objectives that align with donor objectives
•	They often have to develop indicators that meet donors' needs, or conform to donor standards
•	They sometimes have to use specific tools or methodologies for data collection and analysis, such as Randomised Control Trials (RCTs)
•	They may be expected to carry out baselines at the start of a project or programme
•	They usually have to provide regular reports to their donors, often using templates designed by those donors
•	Projects and programmes supported by donors are often evaluated by outside agencies appointed by the donors, or that report directly to the donors
•	NGOs may have to devote a designated portion of their project or programme budgets to PME activities
•	They may have to monitor compliance with donor agreements, contracts, regulations or standards



Implications for M&E

When donors place demands on supported NGOs' monitoring and evaluation (M&E) systems, it has implications for how those systems are designed and implemented. Some examples are provided below.

- Some NGOs have little choice over which indicators to capture, which tools to use, how to analyse data, or how and when to implement an evaluation. This is not particularly important if the processes required by a donor also support an NGO's other needs, such as learning or accountability to beneficiaries. But sometimes it means NGOs have less time and money to develop their own M&E systems and processes to support their own needs. In worst cases, NGOs may have to design and implement completely separate systems – one for their donor(s) and one for themselves.
- Sometimes, donors expect NGOs to adopt M&E tools or methodologies that are not helpful to them. For instance, it is common practice for donors to insist that NGOs develop logical frameworks for supported projects and programmes. However, logical frameworks are not always useful or appropriate when working in complex environments, or where it is hard to predict change beforehand.
- An NGO may be required to collect data that is useful for the donor, but does not help it manage its own work. This often results in poor-quality data, as the NGO has little incentive to ensure that the information it collects is accurate. It also means the NGO has to spend time, resources and energy collecting data that it does not use.
- Similarly, many donors prefer quantitative evidence of change. But for some projects and programmes quantitative evidence is not the best form of evidence. This may mean an NGO having to produce quantitative evidence that serves no useful purpose internally.
- An NGO M&E system that primarily supports the needs of donors may be of little value for learning. This is for two reasons. First, information presented to donors for accountability purposes may be of poor quality. For example, NGOs may have a vested interest in claiming that results are better than they really are. Or they might claim a greater contribution to change than is justified. Second, the type of information collected and analysed for donors may be different to that needed for internal learning purposes.
- Effective projects and programmes often have to change regularly in the light of emerging evidence and circumstances. But donors often require supported NGOs to report against predefined objectives and indicators. Sometimes these requirements clash, and NGOs find themselves expected to report against obsolete objectives and indicators. This is a particular problem if an NGO engaged in participatory planning and M&E wants to change direction in response to the wishes of its beneficiaries.

- NGOs designing M&E systems to meet the needs of their donors are not always capable of meeting those needs on their own. They may have to rely on their own partners and recipient organisations to carry out M&E tasks. For example, a donor may expect a supported NGO to collect specified indicators. That NGO may then fund smaller CSOs to carry out the work, and may expect those CSOs to collect the information required by the donors as a condition of funding. Thus, legitimate requirements of donors at the top of the aid chain may be transmitted down through different levels of supported organisations.

These challenges are made worse when an NGO is funded by multiple donors, each with their own individual requirements. Many NGOs based in the Global South have suffered from this in the past. They have had to respond to the different needs of multiple agencies, leaving them virtually no space or time to develop their own M&E systems to suit their own requirements.

Ultimately, these tensions need to be managed. Donors have their own reporting needs, and are often accountable to civil servants, high-level ministers, heads of government, and ultimately the public. Often, the task of an M&E team within an NGO is to negotiate and liaise with donors in order to agree how to best meet their needs, whilst at the same time allowing flexibility for the NGO to design its own systems in response to its own needs, and to ensure that any organisations it supports are able to do the same.

Positive influences of donors

Donors can enhance M&E in supported organisations in many ways. Firstly, their emphasis on results and evidence is usually considered a good thing in principle. Few NGOs would genuinely want to go back to a prior age when development assistance was often provided without any serious attempt to assess what had changed as a result.

Additionally, pressure from donors can often be used as leverage by M&E teams operating within NGOs who want to improve internal M&E processes. For example, in the early 2000s, many people engaged in M&E departments within UK-based NGOs welcomed approaches by the UK Government to place renewed emphasis on M&E. This was because they felt it helped them push for change within their own organisations.

Donors are also able to play an active role in helping to develop a culture that treats M&E and the generation of evidence seriously. For example, they may support and reward organisations that use M&E to enhance learning and decision-making. Donors that are open to hearing about mistakes and failures as well as successes can also help develop a conducive culture that allows more open and transparent M&E and reporting.

Some donors have been at the forefront of efforts to develop M&E systems that enable downwards accountability, learning and ongoing adaptation of projects and programmes. In the past, this has included commissioning research into different kinds of M&E,

piloting different M&E initiatives, developing and disseminating guidelines, and facilitating discussions around best practice.

Finally, many donors have shown great flexibility in dealing with supported organisations. Some have been content to allow supported organisations to develop their own systems, or have actively encouraged them to do so. Others have helped NGOs to improve their capacity for M&E work, either by supporting them directly or by providing additional funds so they can receive external support. And some donors have been at the forefront of efforts to balance the differing demands of M&E across multiple agencies.

When things go wrong

Donor demands are not new to the international development sector. NGOs have always been expected to devote some of their M&E efforts to meeting donor requirements. However, tensions have risen in recent years with increasing demands for more and better M&E, particularly since the Paris Declaration on Aid Effectiveness in 2005, where countries from around the world agreed to change the way in which donor and developing countries collaborated. The agreement to base decision-making in international aid policy on evidence and results is sometimes known as the results-based agenda (CDI 2016).

Indeed, anyone who has significantly engaged with M&E over the past two decades is probably aware that M&E has been perceived in some circumstances as a complete waste of time, money and effort. In its regular work supporting NGOs, INTRAC has frequently talked to M&E teams that have had to deal with the difficult, demoralising and often unpleasant consequences of bad M&E practice amongst donor communities. Some of the worst excesses are described below.

- **Shifting goalposts:** Donors are not all the same, and even within donor agencies there may be different opinions about M&E. In addition, donor policies change from time to time. Sometimes this can lead to shifting goalposts. This is when an NGO is forced to change its M&E approach midway through a project, programme or strategic cycle to adapt to changing requirements from donors.
- **Turnover of donor staff:** Turnover of staff within a donor agency can be a major problem if there are no accepted donor M&E strategies, policies or guidelines, or if they are open to different interpretations. M&E approaches agreed with a donor may have to change because new staff interpret rules differently. It does not help that much of the terminology used within M&E (e.g. outputs, outcomes, impact, results, baselines, methodologies, robust evidence, results-based management) can be interpreted in many different ways.
- **Expertise of donor staff:** Donors often have their own teams of M&E experts. However, these do not always engage directly with NGOs. NGO staff may instead have to deal directly with donor representatives who do not have M&E knowledge or experience (and sometimes no field experience either). It is hard for NGO staff to negotiate with donor personnel who have power, but little understanding of the opportunities or limitations of M&E work. Sometimes, this leads to situations where NGOs agree to implement M&E systems that they know will not work.
- **Imposition of tools and methodologies:** M&E tools and methodologies tend to come in and out of fashion. In the past, NGOs have often been forced to use M&E tools and methodologies that were inappropriate for their circumstances, or where they did not have the skills or expertise to use them properly. For instance, there were complaints in the 1990s that Participatory Rural Appraisal (PRA) techniques were often demanded by donors whether or not NGOs had developed the required internal systems and processes to use them (Mikkelsen 1995; Chambers 1997). The same thing happened in the 2000s with Randomised Control Trials (Wallace and Chapman 2003; Sherbut and Kanji 2012). This has frequently led to the misuse or ineffective use of these methodologies.
- **Defensiveness and dishonesty:** The need to demonstrate results can encourage NGOs to be defensive and dishonest. This might mean claiming to have achieved more than they have, failing to acknowledge other contributions to change, or hiding mistakes and failures. A related challenge is that the competitive nature of project and programme tendering means that NGOs have often been tempted to set very ambitious objectives that they have no realistic chance of achieving in the time period.
- **Perverse incentives:** Sometimes, these pressures can lead to perverse incentives. NGOs may be tempted to avoid risk, only carry out work that can easily be measured, set targets that can easily be reached, and/or focus on activities and outputs that are easy to measure, rather than longer-term, sustainable change.
- **Downplaying of good M&E:** An over-emphasis on results has led to some donors only trusting their own evaluations, and not valuing or trusting efforts by NGOs to monitor and evaluate their own interventions. As a result, a lot of energy, resources and advice has focused on how to conduct evaluations, with limited attention given to internal monitoring practices. This has led to monitoring being seen as the 'poor relation' of evaluation (Pratt and Boyden 1985; Simister 2000) when in fact it is often more useful and valid. It has also led to M&E being perceived as an 'auditing' function – something to be done for donors, rather than an important management function designed to support NGOs' projects and programmes.
- **Truth as a casualty:** In worst cases, dishonesty has spread right throughout the aid chain, with organisations all hiding the truth from each other. Organisations have been rewarded for the extent to which they have been able to market themselves, rather than what has actually changed as a result of their work, or how they have learned in order to

improve. This has rarely led to deliberate falsification of results, but has often involved the accentuation of good results, the hiding of bad results, the use of anecdotal or unverified evidence to justify claims, and an over-simplification of the realities of social development.

These trends are, unfortunately, common within international development (Eyben 2013). INTRAC has talked to large numbers of NGO staff in both the North and the South over the past two decades who routinely see M&E as a 'box-ticking' exercise, designed to keep donors, head offices or senior managers happy. Many NGOs feel obliged to report on objectives or indicators that are no longer relevant, or are not useful to them, or sometimes never were. This means some NGOs end up reporting on issues that are completely divorced from the reality of what they are trying to change, with reports to donors viewed cynically as a means to ensure that funding continues to flow.

Managing donor demands

There are no simple answers when it comes to managing donor demands. A basic first step is always to understand things, as far as possible, from the donor's point of view. Why do they have certain expectations? What needs do they have? And how can an NGO best help them to meet those needs? NGOs need to remember that staff within donor agencies are often trying very hard to keep aid flowing, and may simply be responding to pressures of their own by passing demands down to recipient agencies.

Building and maintaining relationships is always important. Much more can be achieved if NGO M&E staff and donor staff trust each other and appreciate each other's point of view. The more different organisations trust and respect each other, the more likely they are to be able to build a consensus on what level of M&E work is necessary and useful. This may mean that NGOs need to collect and report on at least some information that is not directly useful to them, but is useful to the donor agency.

At times, NGOs may need to push back against donors. This may be easier said than done, especially for M&E staff who may be caught in the middle between donors with multiple demands, and NGO leaders who want to see funding maintained. However, there may be opportunities for M&E staff within NGOs to make their case, or for NGOs to come together to jointly present a common front with particular donors.

It is a lot easier to push back against unreasonable demands if NGOs have alternative M&E strategies in place. There are many areas where overall NGO M&E practice is poor, and there is room for improvement. This includes dealing with complexity, generating lessons that are useful for decision-making, implementing qualitative methodologies, and implementing M&E systems that are better able to support communities and beneficiaries. NGOs that are able to develop their own effective M&E systems and procedures are often better able to resist unreasonable donor demands.

Sadly, however, there is no guarantee that any of these strategies will work, especially as some of them involve joint, long-term, systematic solutions. In the end, for individual NGOs, it comes down to a choice. Many NGOs put up with unreasonable donor demands because they feel the end justifies the means. If refusing to comply with donor demands for M&E – however unreasonable – means less support provided to poor communities, then NGOs will nearly always choose to comply.

In these cases M&E staff may feel squeezed between different expectations – expectations from donors to provide regular results that demonstrate the effectiveness of NGOs' work; expectations from NGO management that M&E can satisfy donor needs; and expectations from partners and beneficiaries that funding and support will continue to flow. In these circumstances, M&E staff can at least reassure themselves that they are not alone, and that there are many other staff in other places grappling with the same challenges.

Further reading and resources

Other papers in the M&E Universe dealing with similar issues can be found by clicking on the links below. These include papers on results-based management, accountability, randomised control trials, and the logical framework.



Results-based management



Randomised control trials



Accountability



The logical framework

The paper by Eyben (2013), referenced below, was written for an initiative called the *Big Push Forward* and is a good academic introduction to the problems caused by the results-based agenda. It can be accessed at www.bigpushforward.net/wp-content/uploads/2011/01/Uncovering-the-Politics-of-Evidence-and-Results-by-Rosalind-Eyben.pdf.

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INTRAC is a specialist capacity building institution for organisations involved in international relief and development. Since 1992, INTRAC has contributed significantly to the body of knowledge on monitoring and evaluation. Our approach to M&E is practical and founded on core principles. We encourage appropriate M&E, based on understanding what works in different contexts, and we work with people to develop their own M&E approaches and tools, based on their needs.

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