



TWENDE MBELE

GUIDELINE

Using M&E Evidence in Planning and Budgeting in South Africa

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Guideline: Using M&E evidence in planning and budgeting

Addressed to	Planners, monitoring practitioners, evaluators, budget officers within National Government institutions and consultants who assist government in preparation of strategic and annual plans and budgets.
Purpose	Promote the use of monitoring data and evaluation evidence in planning and budgeting
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1. Introduction

Monitoring and evaluation are management processes/tools that provide public sector institutions with insightful information about the performance, effectiveness, efficiency and impact of policies, programmes and projects. M&E helps to provide an evidence base for public resource allocation decisions and identify how challenges in implementation should be addressed and successes replicated.¹ The value of M&E is demonstrated when it is used to design development interventions which enable public sector institutions to learn and become more effective, thereby increasing the likelihood of development interventions achieving positive outcomes or, at least, reducing the likelihood of resources being invested in interventions that cause harm or make no difference in people's lives. Unless governments use the performance data and evaluation evidence they generate to shape plans and to decide where resources are allocated, the processes themselves have no inherent value². The value of M&E lies in its use by public management institutions and society to improve governance and achieve accountability³, and by enabling learning and improvements to take place in policies and programmes.

¹ Presidency. 2007. Policy Framework for the Government-wide Monitoring and Evaluation System. <https://www.dpme.gov.za/publications/Policy%20Framework/Policy%20Framework%20for%20the%20GWM%20system.pdf>

² AMISI, M. M., FISH, T., MOLOTO, B. & MASVAURE, S. 2020b. Professional Associations in M&E: A discussion paper.

³ Mackay, K.R., 2007. *How to Build M and E Systems to Support Better Government*. World Bank Publications.

Since 1994 the South African government made numerous efforts to institutionalise the use of evidence in different public management processes, including how departments develop their long-term, medium-term and annual plans, as well as the budgeting process. Some of these efforts such as the government-wide monitoring and evaluation policy framework, the establishment of the Department of Planning Monitoring and Evaluation (DPME) and the National Evaluation Policy Framework have focused on strengthening monitoring and evaluation specifically. South Africa has been at the forefront of building systems designed to facilitate supply and use of evaluations within government⁴.

Additionally, planning and budgeting processes are well established and institutionalised within government. Different frameworks such as the revised Framework for Strategic Plans and Annual Performance Plans (FSPAP) provide guidance for departments to develop evidence-informed plans. While the Public Finance Management Act (1999) and National Treasury developed systems and processes to support departments to develop budget proposals that are informed by analysis of previous performance (financial and non-financial), macro-economic realities, socio-economic conditions, etc.

The extent to which these different efforts have brought about cultural shift wherein the government demands and uses monitoring data and evaluation evidence, particularly in the developments of plans and department's budgets remains questionable. Challenges persist in fully integrating monitoring data and evaluation evidence into the public management system.⁵

About this guide

This guideline was developed through collaboration between Twende Mbele and DPME. The guideline aims to support existing government efforts to improve the use of monitoring data and evaluation evidence in government planning and budgeting processes. The guideline is based on research done to understand the barriers and facilitators to using monitoring and evaluation evidence in planning and budgeting. The guideline is an additional intervention to support government's efforts towards evidence based planning and budgeting processes.

Whilst acknowledging that government planning and budgeting must draw from a range of evidence/information sources, including national statistical surveys/data, community feedback, research, audit findings, etc., the guideline focuses on strengthening the use of monitoring data and evaluation evidence so that M&E evidence critically informs these two fundamental government practices.

Outline of the guide

The guideline has two parts. Part one is conceptual, it defines concepts, outlines the purpose of the guideline and sets the background for the guideline. Part two provides normative advice on how to bridge the gap between monitoring and evaluation evidence, and the intended users in planning and budgeting processes and cycles. Part two shows ways departments can use M&E in public sector planning and budgeting processes.

⁴ Goldman, I., Byamugisha, A., Gounou, A., Smith, L.R., Ntakumba, S., Lubanga, T., Sossou, D. and Rot-Munstermann, K., 2018. The emergence of government evaluation systems in Africa: The case of Benin, Uganda and South Africa. *African Evaluation Journal*, 6(1), pp.1-11.

⁵ Twende Mbele and DPME. 2023. Applied research on the role of monitoring and evaluation in public sector development planning and budgeting processes in South Africa. Unpublished.]

Part one: situating the guideline

2. Purpose of the guideline

The guideline is intended to support planners, monitoring practitioners, evaluators and evaluation managers within national government institutions and consultants who assist government in the preparation of strategic and annual plans in integrating monitoring data and evaluation evidence in planning and budgeting. The guideline complements existing guidance provided by National Treasury and DPME to national departments and institutions.

2.1. How to use this guide

Each national government institution is different. Their context is shaped by their legislative or executive mandate, whether they have a concurrent function or not, internal capacity for monitoring and evaluation, leadership demand for evidence, use of evidence culture, amongst other factors. Thus, it is important to utilise the guideline in ways that are appropriate and responsive to the department's context.

Evidence use requires intentional effort from individual public servants supported by department leadership. The guideline provides advice to public servants and consultants who will work with government on how better to use monitoring data and evaluation evidence in planning and budgeting processes.

The guideline should be used in conjunction with other technical guidelines provided by government to support budgeting and planning processes. This guideline does not replace technical guidance annually provided by National Treasury to guide departments on the preparation of their budget proposals. Neither does the guideline replace other guidance provided by DPME to national departments on their strategic and annual planning processes.

2.2. Principles underpinning the guideline.

The following principles underpin this guideline:

- All evidence use happens in context. Departments need to start where they are, with the capacities and resources they have.
- Monitoring data and evaluation evidence are not the only evidence that government departments are to use in planning and budgeting. Triangulation with other administrative data, budget performance data, research, National Statistical Data, etc. is important for robust plans and budgets that respond to societal needs.
- Evidence use does not happen by itself, it should be promoted, advocated for and enabled. It is a process that involves actions and decisions of individual M&E practitioners, planners, leaders, etc within a department.
- Evidence use is contested. Contestations will happen around how performance is reported, data is interpreted, what implications of evaluation findings are, etc. These are all normal parts of enabling use of monitoring data and evaluation evidence.

3. Key concepts and terms

3.1 What is meant by monitoring/performance monitoring.

Monitoring refers to the continuous collecting, analysing and reporting data on inputs, activities, outputs, outcomes and impacts as well as external factors in a way that supports effective

management. It aims to provide managers, decision makers and other stakeholders with regular feedback on progress in implementation, results and early indicators of problems that need to be corrected. Monitoring usually reports on actual performance against what was planned or expected.⁶

Programme monitoring produces performance monitoring data which refers to the routine monitoring data generated as part of the implementation of a program, activity or service monitoring reports.

Monitoring data that can be used for planning includes:

- QPRS data-Performance data collected on department's performance against KPIs in the short-term plans, and it mostly reports on programme activities and outputs.
- Medium-Term Strategic Framework (MTSF) Monitoring Progress. This is data collected on department performance against KPIs in the MTSF. Sector monitoring focuses on the achievement of results articulated in the MTSF which are often cross cutting and support progress towards achieving NDP targets.
- Programme performance information. In addition to indicators reported in the annual reports, departments might have an M&E system that collects programme performance data. Performance indicators in different departments and entities are often associated with a whole different set of approaches and tools, for example logical frameworks, results-based management (RBM) techniques, and the balanced scorecard (BSC) approach.

Box 1: Department of Basic Education PPI system

The National DBE developed and maintains the integrated education information system for management of education (EMIS). The system provides provincial and national departments of Basic Education with quality data including annual survey of ordinary schools, analysis of national statistical data on education, etc. (which might not be reported in quarterly and annual reports since it reflects performance of sector not only national department) to facilitate planning and policy dialogue.

<https://www.education.gov.za/Programmes/EMIS.aspx>

3.2 What is meant by evaluation evidence?

Evaluation refers to the systematic collection and objective analysis of public policies, programmes, projects, functions and organisations to assess issues such as relevance, performance (effectiveness and efficiency), value for money, impact and sustainability and recommend ways forward.⁷ Evaluation is part of an ongoing cycle of programme planning, implementation and improvement. It can be useful for departments when determining which interventions to prioritise for funding, which indicators best measure performance, etc.

The South African National Evaluation Policy Framework defines the following categories of evaluations⁸:

- **Diagnostic Evaluation**

This is preparatory research to ascertain the current situation prior to an intervention and to inform intervention design. It identifies what is already known about the issues at hand, the problems and opportunities to be addressed, causes and consequence, including those that the intervention is unlikely to deliver, and the likely effectiveness of different policy options. This enables the drawing up of the theory of change before the intervention is designed. Diagnostic evaluation is undertaken

⁶ National Policy Development Framework,2020

⁷ National Policy Development Framework,2020

⁸ DPME 2019. National Evaluation Policy Framework. Pretoria: The Presidency, Republic of South Africa

at key stages prior to design or planning. Results of diagnostic evaluations can be useful to a department when they are thinking of a new intervention.

- **Design evaluation**

This is used to analyse the theory of change, internal logic and consistency of the programme, either before a programme starts, or during implementation to see whether the theory of change appears to be relevant and working. This is quick to do and uses only secondary information. It also assesses the quality of the indicators and the assumptions underpinning the theory of change, this can be useful in planning and budgeting.

- **Implementation Evaluation**

This seeks to evaluate whether an intervention's operational mechanisms support achievement of the objectives or not, and understand why. It looks at activities, outputs, and outcomes, use of resources and the causal links. It builds on existing monitoring systems and is applied during programme operation to improve the efficiency and efficacy of operational processes. It also assesses the quality of the indicators and assumptions.

- **Outcome evaluation and impact evaluation**

Outcome evaluation measures the degree to which the program is having an effect on the target population's wellbeing and/or behaviours. It helps determine whether or not the intended benefits of a programme are actually achieved (i.e. whether or not the programme is able to meet its intended purpose).

Similar to outcome evaluation, impact evaluation seeks to measure changes in outcomes (and the wellbeing of the target population) that are attributable to a specific intervention. Together with outcome evaluations, impact evaluations can help inform stakeholders regarding the extent to which an intervention should be continued or discontinued, and if there are any potential modifications needed. This can be useful particularly when resources are constrained and cost saving measures need to be applied.

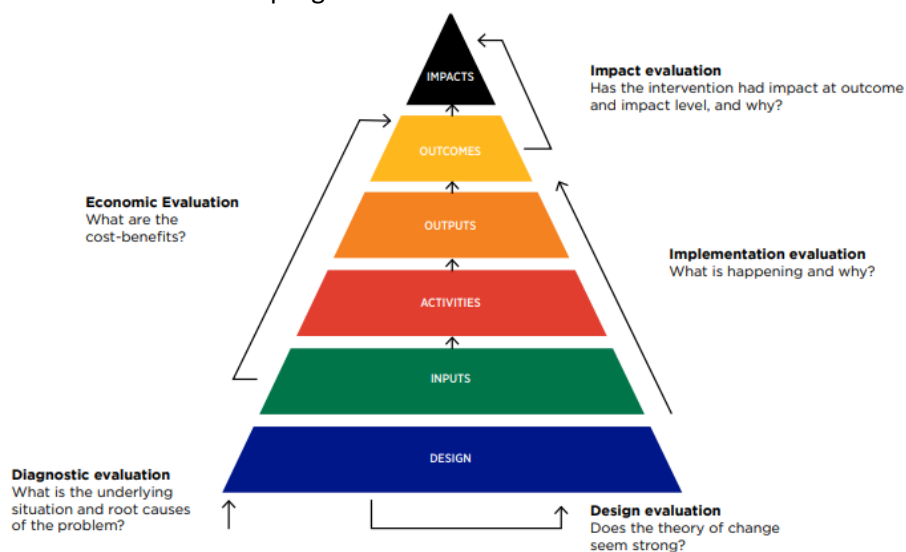


Figure 1: Types of evaluations, Source: DPME

- **Economic evaluation**

Economic evaluation considers whether the costs of a policy or programme are commensurate with the benefits (value add). Types of economic evaluation include: cost-effectiveness analysis, which values the costs of implementing and delivering the policy, and relates this amount to the total quantity of outcome generated, to produce a "cost per unit of outcome" estimate (e.g. cost per additional individual placed in employment); and cost-benefit analysis (CBA), which goes further in placing a monetary value on the changes in outcomes as well (e.g. the value of placing an additional individual in employment). Economic evaluations are great complements to the National Treasury

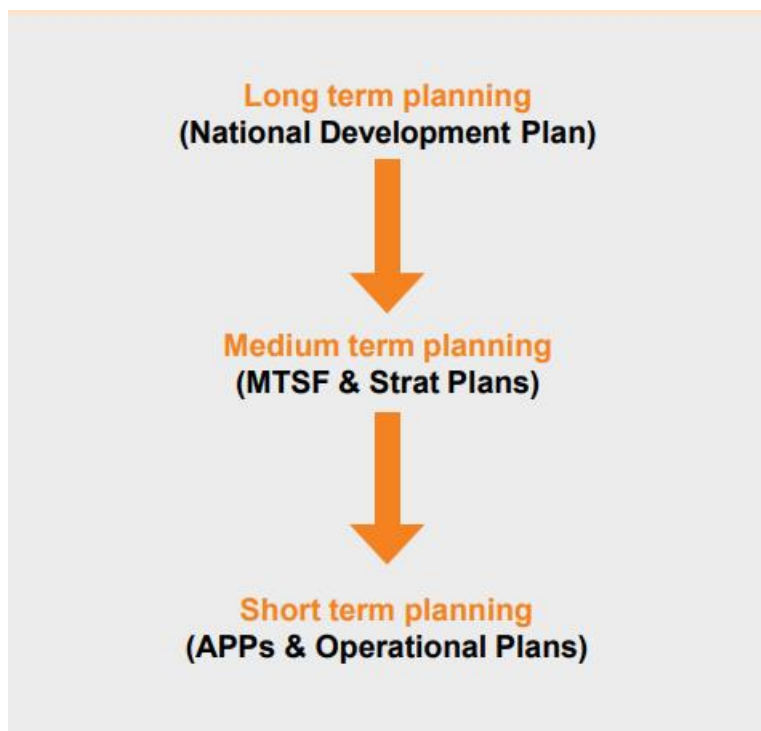
expenditure reviews and can help departments understand if they are getting value for the investments made in policies/programmes.

3.3. Planning

Planning refers to the continuous process that involves decisions or choices about alternate ways of using available resources with the aim of achieving particular developmental goals in future.

The South African government defines the following types of plans (figure 2 below)

- Long term planning: Refers to planning by the government that occurs over a horizon of 30 years or more
- Medium term planning: Refers to that planning that occurs over a period of 5 years, and includes strategic planning by departments
- Short-term planning: Refers to planning that occurs over a period of 12 months and includes Annual Performance Plans



Source: DPME 1

Figure 2: Planning in Government

4. How M&E complements other knowledge generation tools within public service

Within the public service there are other tools from which government draws evidence. The table below shows how M&E differs and can complement other sources of information.

	Activity	Objective
Monitoring	On-going tracking of progress against plans and initiating corrective action	Management, accountability, corrective action
Evaluation	Systematic collection and objective analysis of evidence to assess issues such as relevance, performance (effectiveness and efficiency), value for money, impact and sustainability, and to recommend ways forward.	Understand/learn, accountability, improve performance, inform policy, planning and budgeting
Research	Testing hypotheses/propositions through observation of reality	Learning/knowledge creation only (no account-

		ability focus), can inform policy
Inspection/ investigation	Detects wrong-doing and verifies information	Control and compliance
Audit	An audit is the evaluation of a person, organization, project, product or primarily for the purpose of determining its validity and authenticity, or to verify adherence to a set of pre-defined processes.	Compliance with procedures
Performance audit	Independent auditing process to assess measures instituted by management to ensure that allocated resources are procured economically and utilised efficiently and effectively and, if necessary to report thereon (AGSA).	Accountability, control, compliance
National Statistical data	Periodic national and community surveys to gather demographic information about the population such as age, gender, ethnicity, education, and housing and socio-economic well-being of the population.	Understand the composition and needs of the population and impact of government policies

5. Policy and institutional context

This guideline has to be read in line with other existing frameworks and policies:

5.1 Government-wide M&E policy framework (2007)

The government-wide M&E policy framework is the overarching policy framework for monitoring and evaluation in the South African Government. It provides an integrated, encompassing framework of M&E principles, practices and standards to be used throughout Government, and function as an apex-level information system which draws from the component systems in the framework to deliver useful M&E products for its users.

5.2 The NEPF (2019)

The NEPF (2019) is a government-wide framework that promotes quality evaluations, which can be used for learning to improve the effectiveness, efficiency, relevance, coherence, and impact of government interventions. It also provides for the use of various evaluation approaches in addressing complex issues and sets out a common language for the undertaking of evaluations in the public service.

5.3. Framework for Managing Programme Performance Information (2007)

The FPMPI clarifies definitions and standards for performance information in government. It supports programme planning and regular audits of such information where appropriate to improve integrated structures, systems and processes required to manage performance information.

5.4. The revised framework for strategic plans and annual performance plans and related guidelines

The framework gives the requirements for strategic and annual performance planning, operational

planning, implementation programme planning, infrastructure planning, and monitoring, reporting and evaluations. It gives guidance in the use of results-based approach in the development of plans. In addition, DPME issues guidelines to support the implementation of the framework.

5.5. Medium Term Expenditure Framework: technical guidelines

These are National Treasury guidelines that provide national government departments, as well as public institutions, with guidance on how to prepare their medium-term budget estimates for the upcoming budget year. Their scope covers national government departments, as well as public institutions.

5.6. Performance information handbook

The Handbook provides descriptions of approaches and tools that national and provincial departments, public entities and constitutional institutions can use to implement the Programme Performance Information developed by the National Treasury. The Handbook does not prescribe mandatory processes to departments, but proposes an approach for departments to produce appropriate, quality and timely programme performance information.

6. Gaps the guideline aims to address: findings from informant research

The development of this guideline is informed by findings and recommendations from a research project to understand how government is currently using M&E in planning and budgeting, challenges faced and opportunities that exist. The following is a summary of outcomes of the research.

Context matter

Factors influencing the use of performance monitoring data and evaluation evidence vary. External/macro contextual factors influencing use include politics of M&E, compliance culture, fragmentation of processes.

- Politics and the political leadership of the department influence the extent to which monitoring and evaluation evidence is valued and space is opened for utilisation.
- Fragmentation of systems and lack of coordination between planning, monitoring and evaluation and budgeting processes were highlighted as some of the important external contextual factors influencing the use of M&E evidence in planning and budgeting by departments. The split between budgeting and planning was highlighted as a key constraint within the system.
- Government planning was described as driven by the audit process. To incentivise the use of monitoring data and evaluation evidence will require paying attention to how audit drives behaviour of departments. It will require recalibration of how components of public service management systems work together to manage government performance. Without this, it will be difficult to incentivise departments to engage with monitoring data as a learning tool.
- The sheer amount of reporting that sector departments do limits their ability to reflect and draw lessons from the data they are collecting. From the research, it is clear that much of the monitoring that is done is to meet reporting requirements by different departments or even different units within DPME. This emphasis on upward accountability militates against learning by departments.
- Within departments, factors influencing the use of evidence in planning and budgeting included the lack of technical capacity for monitoring and evaluation; lack of capacity for data collection and analysis; and a lack of systems for data management. Departments

that have concurrent functions are also influenced by relations between national and provincial departments, data sharing possibilities between spheres of government, and capacities of provincial and district departments. Thus, there is no 'one size fits all' that can work to improve use of M&E in budgeting and planning. Each department faces different types of challenges and constraints that need to be understood within that department's context. Efforts to strengthen M&E evidence use needs to recognise this, and requires flexibility and space for interpretation and application by the department. This can be difficult when thinking of a tool - such as the guideline - that must apply across a number of departments.

Demand and supply (generation) of M&E evidence

There is a growing demand for performance monitoring data and evaluation evidence in government. This has been driven by the adoption of an outcomes-based approach in 2009, the National Development Plan that emphasises achieving results in people's lives and planning and budgeting frameworks that encourage departments to draw from a range of evidence sources to inform their plans and budgets. Departments have responded by establishing or strengthening existing M&E units, M&E frameworks and policies and carrying out evaluations. Levels of institutionalisation do not seem to be shifting a culture of how problems are addressed and M&E used.

In the process of drawing up the national budget, the National Treasury uses departmental monitoring performance data, financial performance data, expenditure reviews, research, national statistical data, and to a limited extent, evaluation evidence. Similarly, DPME subjects strategic and annual performance plans to a thorough process where they are assessed for alignment with a range of national priorities, supported by existing evidence including evaluation evidence. Work to strengthen the use of monitoring and evaluation evidence has to reorient departments to the ultimate purpose of monitoring performance and evaluating policies and programme, which is to improve performance and positively impact upon the lives of citizens.

Existing use interventions

The South African government has several institutionalised mechanisms to develop the national budget, and strategic and annual performance plans. The budget process is a consultative process. Internally finance units consult with programme managers and branch heads when drafting budget proposals. Where a department has a concurrent function, further consultations are held in MINMECs and other management structures. Once a proposal is tabled with treasury it goes through a thorough process which includes bilateral meetings between departments and public finance, discussions at the committee on budget (Mincom Bud), 10 by 10 meetings, cabinet discussions, amongst others.

Processes set up by DPME such as performance dialogues, assessment of strategic plans and annual performance plans are also system interventions that support the use of monitoring and evaluation evidence in planning. In addition, the evaluation unit within DPME, through the NES, has established guidelines for the development of improvement plans and management responses, all of which are important for promoting use of evaluative evidence. In addition, the DPME's priority framework document is a key instrument that gives DPME direct influence to bring in performance monitoring data (from multiple sources), research and evaluation to the budget process. Processes such as the Socio-Economic Impact Assessment System and related guidelines are further institutional elements promoting use of evidence within government. This guideline complements these existing interventions.

Individual/organisational/systems change

For evidence to be used, individual actors within government need to have the motivation, the capacity plus the opportunities.

- Motivation to use M&E evidence: From the research there seems to be interest in M&E evidence, however whether people are motivated to use it in a meaningful way remains unclear. The compliance culture seems to dominate over the need to learn and do things better. Even officials who might have technical skills to do their work might find it difficult to navigate the compliance requirements while also opening up space for problems to be appreciated as learning moments, and monitoring and evaluation as reflective tools.
- Capacity to use evidence was reported to be weak, particularly the technical capacity to analyse and make sense of multiple sources of data relevant to department’s mandate area. Also limited was capacity to translate evaluations into actionable activities. But perhaps more challenging was the lack of capacity and know how to navigate the highly political government environment to influence decisions.
- Opportunities to use monitoring and evaluation evidence exist within both planning and budgeting processes, these processes are open and consultative. However, the opportunities are sometimes closed by the political nature of government and the pressure to do what is visible and not necessarily what is evidence based. It is also limited by the political and senior management desire to tell a good story.

The guideline alone is not sufficient to address all the challenges and gaps identified in the research. As already mentioned, there are other instruments that government has in place to support evidence informed planning/decision making which could address some of the gaps. Some of the identified gaps need interventions to address the culture and competencies which can be implemented by DPME and partners to support the implementation of this guideline.

Part Two: how to enhance use of monitoring and evaluation evidence in planning and budgeting

7. Using monitoring and evaluation evidence in planning

There are different ways that departments can use monitoring data in planning. These will depend on a department’s context and the kind of programmes that a department is implementing. It will also be influenced by the kind of plan that the department is developing. Below are some examples of how monitoring data and evaluation can be used in planning.

Objective	Monitoring evidence to be used	Evaluation evidence to use
Medium Term Strategic Framework	Performance information data indicates department’s capacity to deliver on mandate and can be used to set achievable five-year targets for the sector through the MTSF. Use of QPRS data provides insight into institutional capacities and performance, which can be used	Departments can use findings from different types of evaluations to assess the achievement of government priorities and NDP targets. Evaluation findings and recommendations can also be used to determine revisions to targets. Evaluation findings can be

	to determine baselines and targets for departments.	particularly useful in determining outcome and impact indicators for policies and programmes, and MTSF.
Developing Strategic plans and multi-year targets	<p>Analysis of previous department's performance in the medium-term can help identify where the department is performing well and where it is not.</p> <p>Previous medium term performance data can be used to determine achievable indicators and targets for the medium term.</p>	<p>Findings from implementation evaluations and outcome evaluations of current departmental strategic plans, can be used to identify which programmes are performing and which are not and why.</p> <p>The information can be used to inform the department's medium-term priorities and plans.</p>
Developing Annual Performance Plans	Performance information and QPRS data provides insights to how the department is performing. This information, when analysed systematically can identify achievable and unachievable short-term goals.	Findings from conducted evaluations can be used to assess the department's institutional context and performance of programmes.
Determining indicators for APPs	<p>Monitoring data can be used to assess whether indicators in APPs are fit for purpose; whether they are measuring the right performance to give the department indication of whether their policies and programmes are effective.</p> <p>Assessment of previous reporting periods can also be used to determine whether indicators are Specific, Measurable, Achievable, Relevant, and Time-bound (SMART).</p>	<p>Findings from outcome evaluations can help departments identify processes that are not working, this can be helpful when developing indicators for shorter plans that focus on activities/processes and outputs.</p> <p>Findings from Impact evaluations can identify results that are being achieved through policies/programmes . This can help a department determine indicators that best measure both policies/programmes and institutional performance.</p>
Determining targets for APPs	<p>Departments can use previous performance (M&E) data to determine their medium-term and annual targets.</p> <p>Previous performance data is used to set baselines and targets for APPs.</p>	Findings from implementation evaluations, outcome evaluations, and impact evaluations can help departments identify areas where there is weak performance and prescribe how they can make improvements.
DPME review of SP and APPs	DPME can use assessment of department's previous performance to assess whether targets proposed in SPs and APPs	During the review of SPs and APPs, DPME can assess whether findings and recommendations from evaluations are integrated in the

	are achievable or not, and whether they are fit for purpose.	department's plans. The department can also use evaluation findings to assess quality of indicators.
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Box 2: Department of Human Settlements' use of evaluation in planning

Between 2012 and 2016 the Department of Human Settlements partnered with the DPME to carry out a series of evaluations including that of three implementation programmes (Social Housing programme, Integrated Development Programme, Informal Settlement Upgrading Programme) and one policy evaluation which assessed the impact of government housing programme on household asset wealth. Following the completion of these evaluations the department hosted a series of workshops, one of the workshops focused on drawing lessons for the department's [Monitoring, evaluation and Impact Assessment Framework](#). The department used the workshop to identify indicators that needed adjusting and targets that were not being met.

In addition, the Outcome Facilitator at DPME used a summary of the findings from the evaluations to assess and submit inputs on the department's Strategic Plan and APP. Evidence from the evaluation was presented in a series of conversations between DPME, National Treasury and DHS, including during the Performance dialogues.

Through these different processes the department was able to use the evaluation evidence to inform their plans.

8. Using Monitoring and evaluation evidence in budgeting

The South African government already draws from a variety of data and information sources when developing the national budget; thus it remains challenging to fully integrate evaluation evidence in the process. Below are some pathways to strengthen the use of monitoring and evaluation during budgeting. Figure 3 below illustrates the M&E budget interface.

Objective	Type of monitoring data use	Evaluation evidence use
Budget preparation	Performance information data is used to make judgements in budget preparation to decide the allocation of resources. This includes i) the review of medium-term targets and setting new targets, ii) analysis of baseline performance data, and iii) analysis of the trends of the indicators for the past three years.	Economic evaluations can be particularly useful for budget decisions. These include findings on unit costs against targets, and findings on budget allocations against targeted performance. This information is important for budget

		preparation to understand the relationship between funds provided and targeted performance.
Budget implementation	During the implementation of the budget, it is important that performance information data is used to track performance against pre-set targets. This will contribute to quarterly reporting and can ensure the implementation of corrective action if required. This can be done through i) tracking the year-to-date performance, performance over the three previous quarters and the average quarterly performance for the previous year (performance trends), ii) comparing the financial resources required with the performance targets, and iii) using illustrative charts that compare budget and performance information trends and monthly reporting (this information can be retrieved from existing dashboards).	<p>The findings from Economic Evaluations (Cost-Benefit Analysis (CBA), Cost-Minimisation Analysis (CMA), Cost-Effectiveness Analysis (CEA), and Cost-Utility Analysis (CUA) can be used to assess efficiency in implementation of allocated resources. Specifically, the findings on the cost performance from the previous years can be used to benchmark performance.</p> <p>Implementation evaluations can also identify areas where there are implementation challenges and help explain observed financial and non-financial performance.</p>
Audit and annual reporting	Audit and annual reporting include presentation of performance information data against objectives and targets set in the Strategic Plan.	The findings from conducted Economic Evaluations (Cost-Benefit Analysis (CBA), Cost-Minimisation Analysis (CMA), Cost-Effectiveness Analysis (CEA), and Cost-Utility Analysis (CUA) can be used to assess where resources were utilised complementing audit processes.

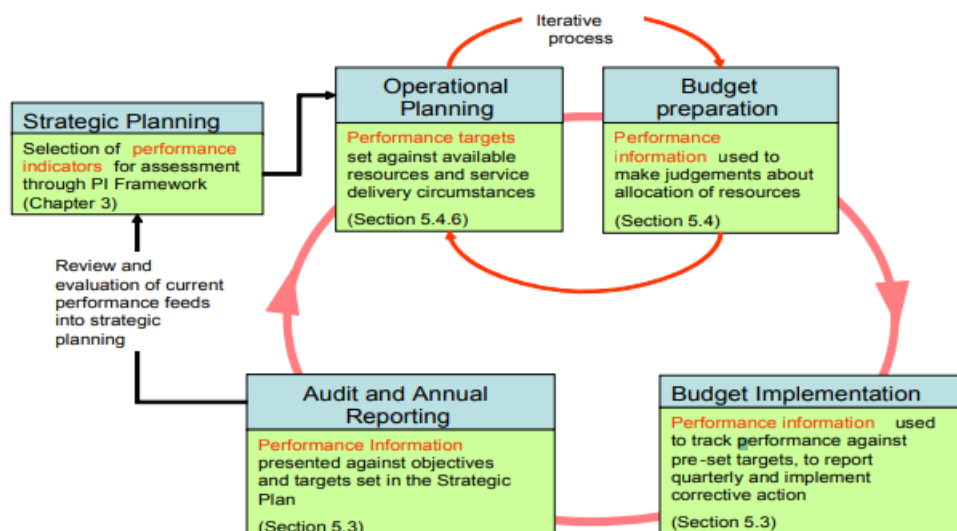


Figure 3: Use of performance information in budget cycle

Box 3: National DSD use of evaluation evidence to influence budgeting

In 2014/15 the national DSD partnered with the DPME to conduct a [diagnostic evaluation of the state response to violence against women and children](#). The Diagnostic Review found significant shortfalls in funding for prevention and response services. The National DSD used this finding in its budget proposal to National Treasury to motivate for additional budget allocation.

In 2018 National Treasury announced an additional budget allocation to provincial DSDs for VAWC programmes. The budget was increased by R206 million in the financial year 2018/19 while R309 million was added for the 2019/2020 financial year. More information about this example can be found [here](#).

9. Supporting M&E utilisation

This section describes what departments would need to put in place or strengthen to improve their use of M&E evidence in planning and budgeting. This will differ from department to department. Some departments are advanced in setting up their M&E systems and have staff to carry out those functions. However, some departments would need to build systems and set up processes to be able to strengthen the use of M&E in planning and budgeting.

9.1. Capacity (individual and institutional)

The activities suggested in the guideline will not be possible without adequate capacity for monitoring and evaluation within departments. National departments need to have staff with monitoring and evaluation functions. M&E officials need a combination of technical and coordination

skills to navigate the complex and often contested process of informing planning and budgeting. Capacities that individuals need include:

Technical skills

- Development of M&E frameworks and plans
- Data collection, governance and analysis (both quantitative and qualitative)
- Evaluation
- Policy analysis
- Report writing

Non-technical skills

- Relationship building
- Brokering knowledge
- Establishing learning systems and processes
- Navigating politics
- Activist bureaucrat
- Understanding of the planning and budgeting processes
- Understanding of the sector they work in

DPME in partnership with National School of Government offers some training for departments. M&E practitioners in government can also attend workshops and capacity building initiatives being implemented by different South African universities⁹ and the [South African Monitoring and Evaluation Association \(SAMEA\)](#). M&E capacity building initiatives need to be multi-disciplinary, incorporating programme and project planning and resourcing rather than focusing solely on technical M&E skills. This will help M&E practitioners and planners to better understand how M&E should support planning and budgeting.

In addition, participation in M&E capacity building/peer-learning forums such as M&E conferences, communities of practice and the like, can also help build evaluation capacities going forward.

Budgeting and planning officials need to be sensitised on the value of M&E evidence in departmental planning and budgeting processes and cycles.

9.2. Knowledge management

Not all departments have effective knowledge management systems. Some departments do not have electronic databases to record and track performance over time. Paper based reporting systems make knowledge management, reflection, trend analysis, learning etc. difficult. Thus, departments need to invest in digital systems to manage data reported against APPs and medium-term strategic plans.

9.3. Incentives

Departments need to put in place incentives for managers to learn from monitoring and evaluation and ask interrogative questions. If M&E is still seen as primarily a tool to avoid negative audit findings, then monitoring and evaluation will fail to contribute to better plans and budgeting for outcomes.

⁹ University of Witwatersrand [offers Post Graduate Diploma in M&E](#) that specifically targets public sector practitioners; Stellenbosch University offers an [MPhil in monitoring and evaluation](#) designed for those who are tasked with the design, management, implementation, monitoring and evaluation of public programmes and interventions

The existing National Evaluation Policy Framework (NEPF) should be promoted across Government, with such awareness-raising roadshows for the NEPF also including audiences with senior officials and programme managers. The NEPF can incentivise the institutionalisation of the M&E function, and M&E evidence use, across Government.

9.4. Optimal structure for M&E

Departments also need to pay attention to how their M&E units are structured. Although stand-alone M&E units can improve the likelihood of staff being appointed and resources being allocated to the M&E function, it can also isolate these units and reduce their ability to inform planning and budgeting. Departments further need to consciously build connections between planning, budgeting and M&E by:

- Placing the units together under one branch.
- Designing planning and budgeting processes in ways that create space for M&E officials to participate, present M&E results, etc, during the planning and budgeting process (i.e. intra-departmental, inter-directorate planning and budgeting forums where M&E evidence producers and other sources of evidence get to interface with planning and budgeting officials, presenting key intervention performance evidence).
- Ensuring the M&E unit has staff for the monitoring and evaluation functions, not just monitoring.
- Allocating adequate financial resources for goods and services for the M&E function.

9.5. Strengthen evaluations

Departments need to strengthen evaluation to make evaluations respond to the needs of public finance. The involvement of treasury officials in the design of evaluations can address this. Departments should also carry out a wide variety of evaluations. Most evaluations commissioned and conducted by government departments have focused on implementation evaluations and Impact evaluations. Going forward, government needs to invest in rapid evaluations that can provide quick delivery of evidence and economic evaluations to prove economic value of policy interventions.

10. Roles and responsibilities

This section articulates the roles that DPME, National Treasury and sector departments are to have in implementation of this guideline.

DPME

The DPME evaluation Chief Directorate is the custodian of the guideline. The DPME should popularise the guideline, making sure that departments are familiar with the contents of the guideline and how to use it.

DPME Evaluation unit should work with the Planning Branch and National Treasury to design trainings/capacity building support for M&E practitioners to build skills to support the use of monitoring data and evaluation evidence in planning. The DPME should build on existing guidelines such as the Management response and Improvement planning to strengthen integration of evaluation findings to medium- and short-term plans. Furthermore,

- The planning alignment unit in DPME is currently working with NSG and presidency on professionalisation of planning in government. DPME can build on this to include the professionalisation of monitoring and evaluation within the public service. This could ensure

that M&E professionals have certain basic skills such as data analysis, policy analysis, knowledge brokering, etc.

- DPME should use their position in MinComBud to champion the use of monitoring and evaluation evidence in budgeting processes.
- DPME should engage with the portfolio committee on Planning, Monitoring and Evaluation for the committee to champion the use of monitoring data and evaluation evidence in the interrogation of strategic and annual performance plans, and national and departmental budgets.
- The evaluation unit working with planning alignment should sensitise evaluators and evaluation units in departments on the planning and budget process.
- The evaluation unit should reinstate the Evidence-Based Policy Making and Implementation Course to promote demand for M&E evidence with Director Generals and Deputy Director Generals.

National Treasury

The National Treasury is the lead institution responsible for programme performance information and in accordance with the PFMA must promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of departments, entities and constitutional institutions. The National Treasury has been promoting evidence-based budgeting within government. The Treasury ensures that financial and non-financial performance information underpins planning, budgeting, implementation management and accountability reporting to promote transparency and expenditure control towards economy, efficiency, effectiveness and equity in the use of public resources. National Treasury can promote this Guideline among its various budgeting stakeholders.

National Treasury can also use the MTEF technical guideline, either under components of submission or principles of the MTEF budget, to prescribe the use of monitoring data and evaluation evidence in the preparation of budgets. This can help bridge the gap between M&E, Planning and Budgeting.

Sector departments

Sector departments and institutions are the main users of the guideline. Institutions should use the guideline to better integrate or plan to improve the integration of M&E evidence to their plans and budgeting processes. The Guideline can be used as a basis to set up or strengthen existing intra-institutional dialogue forums between M&E, planning and budgeting directorates and/or units.

Using M&E Evidence in Planning and Budgeting



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