

# Participatory Monitoring and Evaluation – A Prototype Internal Learning System for Livelihood and Micro-Credit Programs\*

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## Introduction

One of the most neglected professional capacities of development organisations is their ability adequately to monitor and evaluate their development projects. An effective monitoring and evaluation system is an essential function if an organisation is to efficiently learn from its experience and feedback this learning for improved program performance, expansion, documentation and adaptation into other areas. Most organisations have struggled with establishing a high quality yet manageable system suited to its organisational capacities. The approaches have ranged from the standard social science approach of formal quantitative surveys to more relaxed, qualitative, participatory research. Each approach has its supporters and detractors.

The product of standard quantitative evaluations are often divorced from the needs, the indigenous knowledge, and the values of development organisations and their constituent communities. Too often, they fail to reflect the complexity of the development process leaving a distilled 'blueprint' rather than a 'process' view of the project which is inadequate for learning and adaptation purposes (Korten, 1980, p. 499). Standard surveys, whether carried out in-house or by experts, have been criticised because they

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. . . tended to be long, drawn-out, tedious, a headache to administer, a nightmare to process and write-up, inaccurate and unreliable in data obtained, leading to reports, if any, which were long, late, boring, misleading, difficult to use, and anyway ignored (Chambers, 1992, p. 7).

When NGOs themselves try to undertake research on the impact of their programs they often produce descriptive rather than analytical reports based on in-depth interviews with a few of the most successful participants. Critics of the case study approach will point out that the few cases highlighted may not be representative of the entire target group or that causality is not proven (i.e. successful participants would have succeeded anyway even without the intervention). Donor agencies are increasingly reluctant repeatedly to provide scarce development funds based solely on subjective and qualitative accounts of NGO effectiveness by insiders or quick studies (development tourism) by enthralled outsiders.<sup>1</sup>

Participatory research methods have been hailed as a superior approach to monitoring and evaluation. Some of the concepts and ideas of participatory methods are that the poor are capable of investigating, analysing and planning for their own situation. The roles of outsiders including development organisations are to act as convenors, facilitators and catalysts for development activities. The research process becomes participatory rather than extractive. The reality does not always measure up to the ideal, however, and many techniques, touted as participatory, still essentially 'extract' information from participants, however, creatively they do it.

What follows is a rethinking of participatory monitoring and evaluation, one which foremost centers on the participant community. The internal learning system<sup>2</sup> prototype presented here takes the notion of participation to a much further point. The participant community becomes not only the data gatherers, but also the analysts and the data archivists. They collect, analyse, act upon and 'own' their data. As a plus, they also use the internal learning system to reinforce program values, to celebrate achievements and to chronicle their path of struggle and development. The assisting development organisations and donor communities also benefit when participants share with them their 'internal learnings' – their data, analyses, revised strategies and achievements.

## A Prototype Internal Learning System

This prototype of an internal learning system was created for development organisations operating group-based savings and credit programs with

1. See Chambers, 1985 for a discussion of development tourism.

2. An internal learning system has been defined as a 'process whereby institutions and constituent communities define and establish monitoring and evaluation systems and mechanisms which assist them to reflect on and apply learning through an iterative process' Jane Rosser, Ford Foundation, personal correspondence.

poor women.<sup>3</sup> A full description of the internal learning system is beyond the scope of this paper. The logic, structure and mechanics of the system are explained and some illustrations are presented to highlight key elements of the system. Preliminary results of field tests are also discussed.

## Characteristics of the Internal Learning System

### *Essence of the System – participatory and internal*

The core feature or essence of the system is that it is a participatory rather than an extractive learning process. The tasks of 'internal learning' are decentralised to all levels within the savings and credit program (individual member, self help group, cluster or federation of groups, area organisers, program staff, etc.) so that all members are actively involved in the process (see diagram below). Each level collects and analyses data and uses findings to improve program operation. The information and the learning that results is retained within the group rather than extracted and analysed elsewhere, never to find its way back to the women most in need of its benefits.

### *Key Features*

The internal learning system combines traditional quantitative analyses with qualitative assessments. The skill levels and capacities in the savings and credit groups were carefully considered in setting the tasks to be carried out at each level. Because of the lack of literacy and numeracy among very poor rural women in the program, ensuring their active participation posed one of the greatest challenges.

The system is designed around pictorial diaries of change or 'learning diaries' in the woman's life that she could keep, reflect upon, and share with credit program staff in a feedback process.<sup>4</sup> The 'learning diary' is the main element, although not the only one, in the internal learning system. Other non-pictorial elements include savings and loan accounts, basic administrative records, financial sustainability indicators, etc.

One of the main advantages of the system is that it is efficient and manageable. The burden of collecting, processing, analyzing and archiving data is spread across all levels in the program, rather than ending up at the organisation level on the shoulders of an already overburdened staff person.

3. The prototype was developed in partnership with three development organisations, PRADAN, Professional Assistance for Development Action, headquartered in Madurai, Friends of Women's World Banking (India), based in Ahmedabad, and members of savings and credit groups which they support; and SEWA, Self Employed Women's Association, based in Ahmedabad.

4. This picture album, specifically structured and designed to track and learn from change, has been called by different names in each organisation. In FWWB (I), among their Hindi and Gujarati participants, it is called a 'Sikhne ki Saheli' or 'learning friend'. In PRADAN, it is called a KAL album. The word 'Kal' in Tamil means 'learn'. 'Kal' is also a short form for 'Kalanjiam', the name given to the self help savings and credit groups in PRADAN. Kalanjiam actually means granary or storing place. In this sense, it is a place where the members store their savings and withdraw it in the form of loans.

Only aggregated data is passed on to the next level in the program (Figure 1). Members keep track of changes in their life as they occur in their 'learning diary' and they share this with their group in monthly meetings. Groups process their individual members' data on socio-economic impact into a yearly group aggregate in their group learning diary. They also assess their progress in becoming a well-functioning group and track the impact of their own collective actions in the community on a more frequent basis. They pass the group's aggregated socio-economic impact data and picture of group functioning on to either cluster or area organiser level (depending on the structure of the program) (see illustration). Clusters or area staff then process the data from their member groups into a cluster or area aggregate and also assess their own functioning as a cluster organisation or as a staff member charged with organising several credit groups. This cluster or area data and findings are then passed on to the program level of organisation which synthesises the data into a picture of change for the entire program which can be further shared with the intermediary lender or funding organisation.

The most important aspect of the internal learning system is not that pictorial diaries or 'learning diaries' are used to collect data, but that the data collected through them are fully utilised by each level in the program rather than extracted merely for the use and benefit of other levels in the program. This participatory dimension is what distinguishes this effort from the usual extractive process. Further, the internal learning system does not operate as a once-a-year, add-on function. Participation is on an on-going basis as the pictorial diaries are in constant use as a learning tool and are integrated into the routine administrative meetings, training sessions and celebration functions for groups, clusters and program staff.

The structure and content of the learning system is very flexible. It is possible to utilise the system at some but not all levels in the program. Depending on need, resource constraints or other priorities, some organisations may choose to start their system at group level rather than member level. Other organisations may prefer directly to send group level data to the program level bypassing cluster or area organiser level. If cluster groups have not been formed, then area organisers can be utilised instead to carry out data tasks at this level. Organisations can weigh the benefits and costs of operating at each level and structure a system most appropriate for their needs.

Likewise the content of the learning diary is completely flexible. A menu of different areas of inquiry has been developed which responds to the needs of the three participating organisations (see table below). Each chapter in the learning diary or area of inquiry was developed through an organisation stakeholder analysis – a process of identifying stakeholders in program evaluation, their multiple stakes, multiple areas of inquiry for each stake and the economic, social and institutional indicators which measure change in each. A stakeholder analysis should be carried out by any organisation wishing to adapt this prototype to their own program.

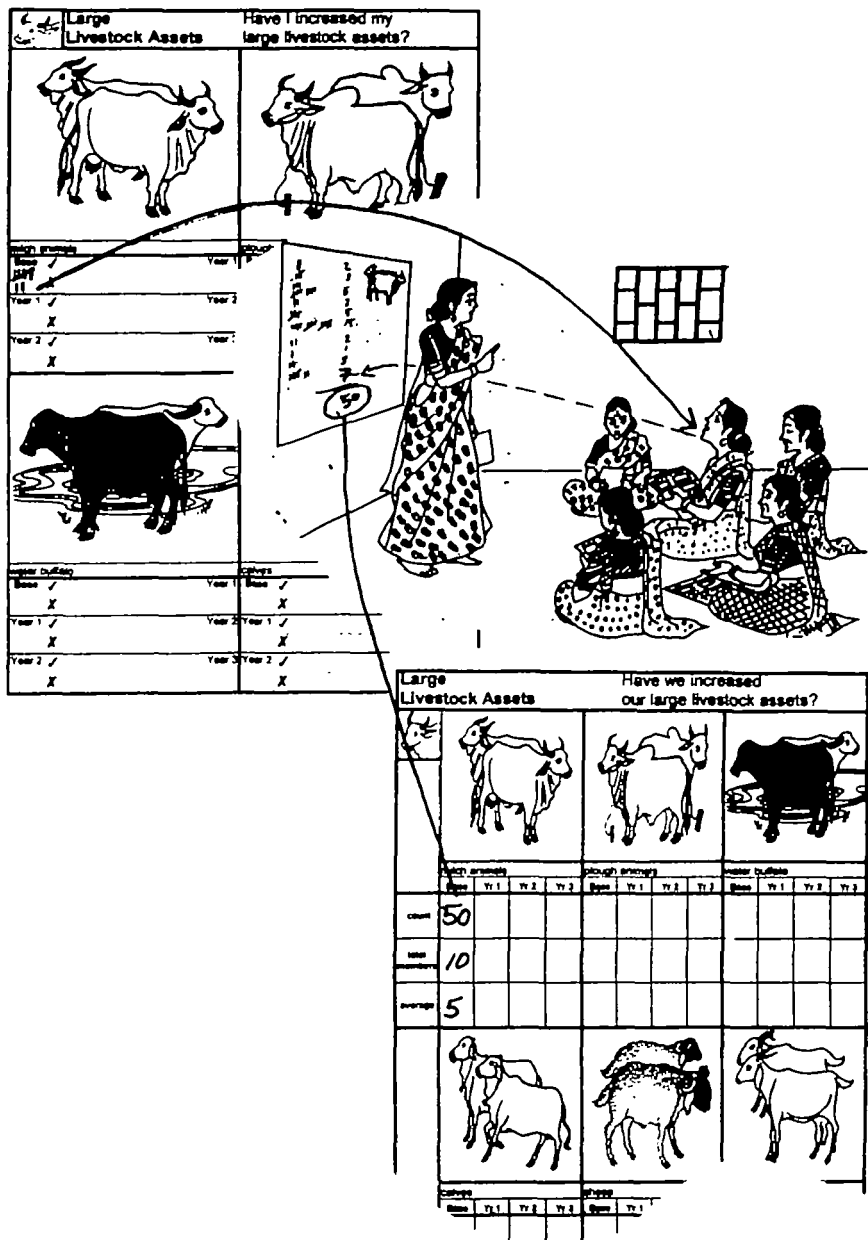
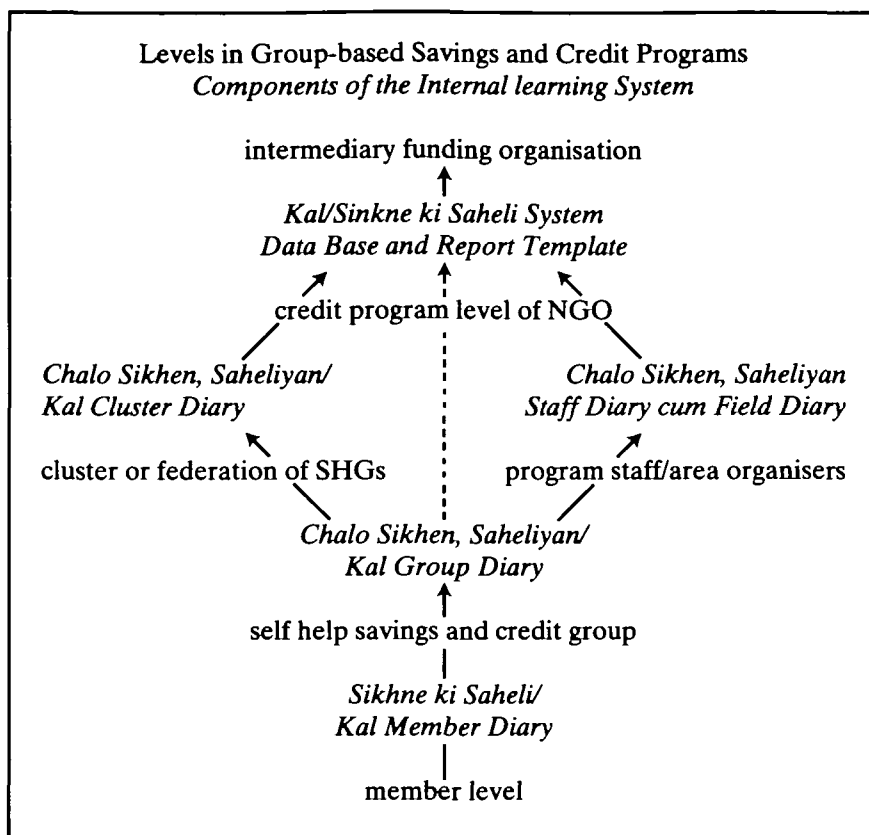


Fig. 1 Data Aggregation Process from Member to Group Level.

A thorough stakeholder analysis will likely yield too many areas of inquiry to incorporate into a single learning diary at any one point in time. The program staff will have to prioritise their needs in monitoring and



evaluation. Initially, they should err on the minimalist side in selecting the number of chapters to use in their learning diaries. As members and groups become more skilled, other chapters can be added later on.

Another feature of the system is that the content of the learning diary can be tailored differently and used strategically among sub-samples of self-help groups to answer specific monitoring and evaluation questions. If the sampling is done correctly, inferences about the entire program population can still be made. This flexibility allows program managers to run evaluation experiments and more in-depth sub-analyses without making the system too unwieldy or burdensome in the data collected across the entire program population.

The chapters or dimensions of change selected by program staff, however, can still be modified by members and groups at each level to respond to their own unique experiences and needs. For example, a section on productive assets was modified (by members' hand drawing) to include a picture showing a tank or pond with exclusive fishing rights that was jointly leased by three self-help women's groups organised by PRADAN. To summarise, the

**Table 1** Content of the Learning Diaries by Program Level ('Unshaded' cells denote primary data collection. 'Shaded' cells denote aggregated data flowing upward.)

Chapter or Section	member	group	cluster	area	program
<b>background profile</b> – household members; work & earnings patterns	●	●	●	●	●
<b>debt survey</b> – amount borrowed, owed and delinquent by source	●	●	●	●	●
<b>living conditions</b> – housing, electricity, fuel, house title	●	●	●	●	●
<b>land assets</b> – wet, dry or garden land	●	●	●	●	●
<b>livestock assets</b> – milch cattle, plough animals, water buffalo, sheep, etc	●	●	●	●	●
<b>work assets</b> – agricultural tools, equipment, looms, machinery, vehicles, boats, etc.	●	●	●	●	●
<b>work conditions</b> – tools, workspace, supply, markets, techniques, product, work choice, profits or earnings	●	●	●	●	●
<b>consumption</b> – nutrition, health, education versus social spending	●	●	●	●	●
<b>social status and empowerment</b> – mobility, gender relations and decision-making	●	●	●	●	●
<b>organisation functioning</b> – 12 dimensions of progress in becoming independent group		●	●	●	●
<b>environmental conditions</b> – water sanitation, location and amenities		●	●	●	●
<b>community poverty indicators</b> – disease outbreaks, mortality, child labor, bonded labor, destitution, extreme survival actions		●	●	●	●
<b>collective impact on work</b> – workplace safety, middlemen exploitation, police harassment, producer services, group enterprise, other improvements		●	●	●	●
<b>contact log</b> – record of contacts with program staff, development officials and visitors; trainings received		●	●	●	●
<b>staff activity log</b> – contacts with groups, training inputs given				●	●
<b>catalogue of problems</b> – description, solutions				●	●
<b>qualitative assessments</b> – of group strengths and weaknesses, performance hypotheses				●	●
<b>group performance survey</b> – random survey of aggregate impact data, group functioning, staff contacts and training inputs					●
<b>SHG debt levels survey</b> – random survey among groups					●

### Characteristics of the Internal Learning System

- *participatory* – poor women learn together and the learning process is *internal* to the group
- *simple, pictorial* system suited to low literacy levels and poverty situations
- *decentralised* – data are collected, analysed, acted upon & archived by each level; only aggregated data flows upward
- *flexible in structure and content* – can be shaped to needs, capacities and unique experiences of each level
- *goes beyond inputs/outputs* (loans & repayments); records data on changes in living conditions, socioeconomic impact, changes in social status and empowerment, organisation functioning and viability, and collective impact on work and community conditions
- *basic panel data* set on entire program population – operates as a diary marking changes as they occur. Data on program participants is processed at baseline, semi-annual and yearly time points over a three year period

content of the internal learning system shown in the table is merely a menu from which organisations should choose only the most essential items suited to their needs, skills and capacity constraints at any point in time.

A final feature of the system is that the data collected are in the form of a longitudinal panel data set in which the same group of subjects are studied over time. The data set contains longitudinal data at baseline, semi-annual and yearly intervals over a three-year period. The number of research questions which can be rigorously answered using panel data and multivariate statistical analyses are numerous. Qualitative analyses can also be enhanced by the collection of careful baseline data and changes over time on the same group of respondents (Figure 2). The diaries of change can be extremely useful for selecting respondents for in-depth ethnographic study.

## Ensuring Participation

Many participatory research methods cease to be participatory after the data collection stage, as program managers do not believe participants are able to manipulate and analyse their own data. In order to ensure that the system is truly participatory rather than extractive, five purposes or uses of the learning diary have been identified. The learning diary is structured so that women carry out all five functions for a period of three years (base year and year 1–3) and archive the results in the same book. Users are shown in a



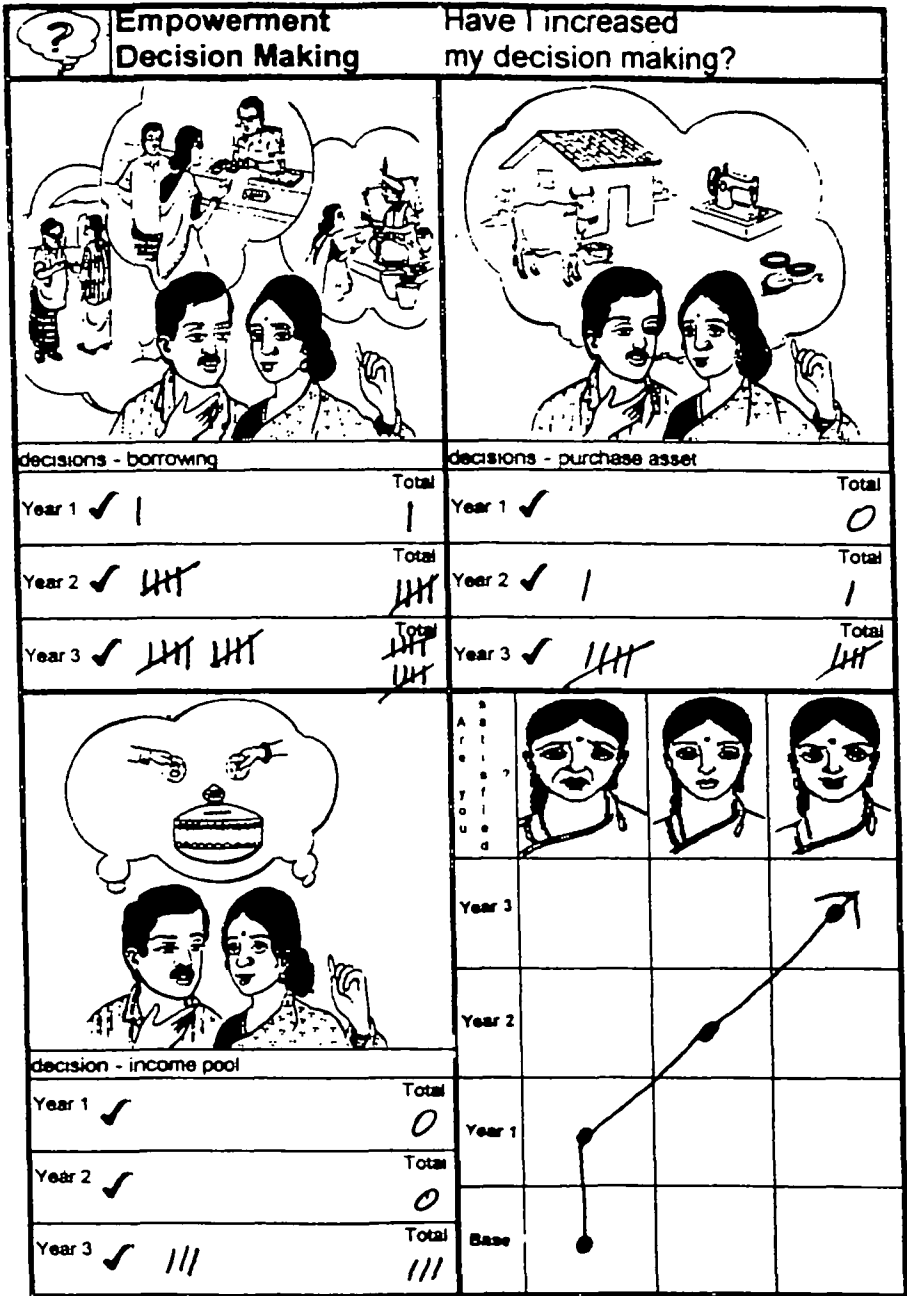


Fig. 2 Empowerment – Household Decision-Making Diary and Mock Time Line of Satisfaction Levels, Base through Year 3.

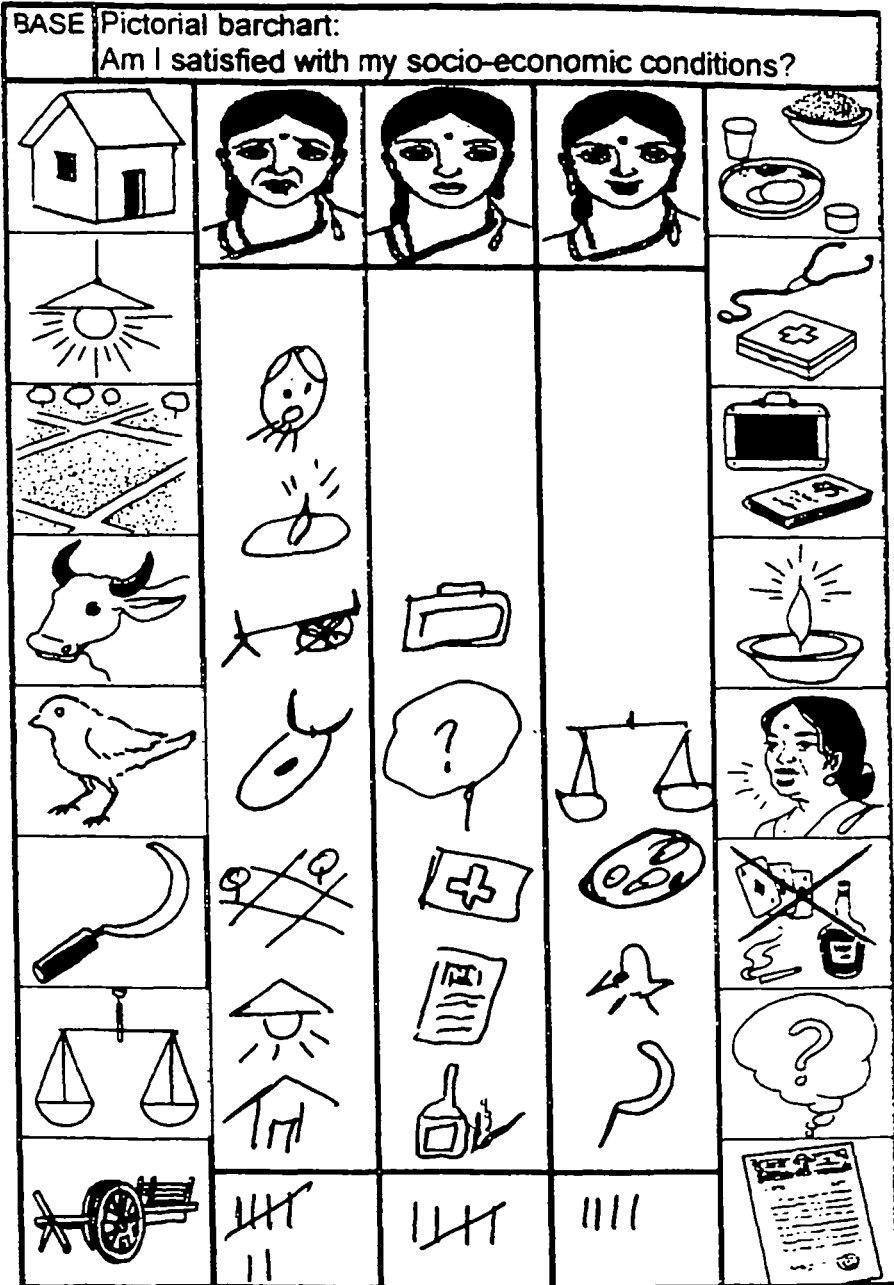


Fig. 3 Pictorial Bar Chart of Satisfaction with Current (Base Year) Socio-economic Conditions.



Fig. 4 Goal Setting Exercise, Member Level.

step-by-step manner how to record data, summarise and manipulate their data (total counts, percentages, averages, etc.), and interpret the values (lagging or improved performance) to reveal impact. The data exercises guide users in how to analyse likely causes of change (perform cross-tabulations, sub-analyses) and troubleshoot possible solutions.

Companion training guides present suggestions on how organisers and group leaders can structure a process of discussion and reflection that yield rich qualitative assessments of change among members. This is perhaps the most important advantage of the pictorial diary system. The learning diaries are constantly in use and at the heart of a mutual learning and extended training process. The training manuals show how the group can reflect on their findings and plan (suggest remedial strategies). Suggestions are also made on how learning from the diaries can be shared and used to promote program values by becoming part of the routine and celebratory functions at each level in the program.

To ensure the participation of poor, illiterate women the data exercise books are simple, user-friendly and totally pictorial at member level. At this most challenging level, designing data analysis tasks requires making basic, simple statistical concepts even more simple. For example, a frequency distribution of satisfaction in key research areas can be pictorialised using sad, neutral and happy faces and symbols to represent variables such as food, land assets, animal assets, shelter, etc. stacked under each satisfaction rating or face (Figure 3). In a similar manner, a time line showing changes in satisfaction levels over each yearly time period can also be pictorialised by connecting tick marks under each face (Figure 2). Planning and prioritising can also be carried out by working with the same symbols in different pictorial scenes (Figures 4 and 5).

The complexity of the data exercises or analyses rises according to abilities at group, cluster and organisation levels to include averages, percentages and other basic statistics (Figure 6). Group members also keep track of their impact as a group on such issues as improving area environmental conditions and conditions of work for members (Figure 7). At the cluster level, representatives of SHGs can examine their progress in becoming independent and viable organizations by examining their scores on different dimensions of organisational functioning (Figure 8).<sup>5</sup> They can assess which groups are lagging (negative phase score) or excelling (positive phase score) based on their phase of development, analyse the reasons, and apply the lessons of excelling groups to those who are lagging. They can also monitor whether staff contact and inputs or other environmental factors are important explanations of group performance.

5. The dimensions of group functioning include: knowledge of self-help groups (SHG), attitude of SHGs, practise of SHGs, attendance and punctuality at SHG meeting, participation in SHG meetings, holding and conducting SHG meetings, maintaining accounts, leadership, group cohesion, problem solving, mobilising resources, using internal learning system.



### **Five Uses of the Internal Learning System**

1. *Collect Data*
2. *Assess Change or Reveal Impact*
3. *Analyse Patterns or Causes of Change and Troubleshoot Problems*
4. *Plan or Feedback Information*
5. *Document to Share Results, Reinforce Program Values and Celebrate Achievements*

At the program level, the aggregated data is entered into a specially designed program data management system using pre-programmed computerised spreadsheets. The spreadsheets automatically generate simple program-wide performance statistics and graphs. A manual guides managers in analyzing their data results and presenting their findings using a report template. This semi-automated process frees the M&E manager to carry out in-depth analyses by following a more advanced step-by-step data analysis guide. Suggestions are given on more complex impact evaluation studies and experiments which can be subcontracted to outside researchers as desired. Once again, program managers are presented with a menu of data analysis options, from simple to advanced, which they can choose to perform, based on their needs and capacities.

### **Preliminary Field Test Results**

The prototype internal learning system presented here has been field-tested with four credit organisations located in the Indian states of Gujarat, Bihar, Kerala and Tamil Nadu. The preliminary results from these field visits are promising and full field trials are now underway in each of the three organisations. A summary of the key points are listed below, as well as some cautions and concerns that were raised, requiring further attention in a field trial.

- Program staff appreciated the decentralised nature of the system and anticipated eventual labor saving in program impact assessment and documentation after significant initial investment in training staff throughout the credit program in order to launch the system. Most recognised the need for a dedicated monitoring and evaluation staff person to steward this process.
- Program staff were enthusiastic about the in-built learning aspect of the organisation functioning tracking system, how it automatically identifies laggards and excellers and teaches groups how to attain a higher level of performance and skills.



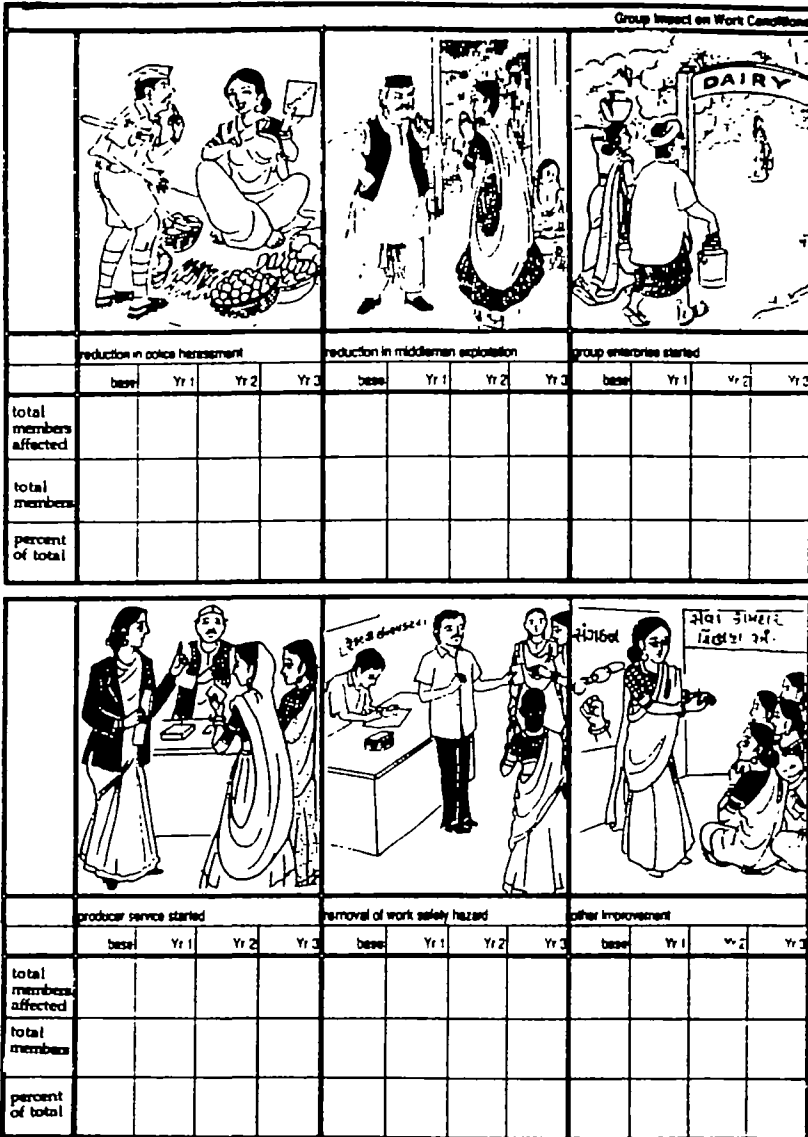


Fig. 7 Group Impact on Work Conditions of Members.

in a careful and relaxed manner without raising performance anxieties. Training group leaders in advance and working in small groups with animators worked best.

- Illiterate women could identify the meaning and purpose of 90% of the pictures and were forthcoming and quite specific about revisions to improve remaining scenes. They were quite sensitive to the regional style





of dress and design of local implements. Redoing scenes to reflect local styles and customs is advised.

- Many women had poor eyesight and could not easily discern the pictures. Revising the picture cells for simpler scenes, zooming in to the object of focus with less empty or irrelevant background helped. Expanding the cells to maximum size and clarity is essential. Even small revisions in picture cells, which may not seem worth the effort, made for a big difference in perception by women.
- Women were able properly to record their 'own' data in the picture cells and carry out their 'analyses'.
- Leaders of self-help groups were able successfully to aggregate their member data into a group total. Most were able to calculate percentages and averages and draw graphs. Those who were not able to do these tasks, could at least understand the calculation and the graphic depictions. The important point was not that they completed each task, but that the data analysis was completed in front of them and fully explained and the results or learnings were retained within the group.
- Women were concerned with protecting the learning diary over the three year period. They suggested a bound copy with sturdy cover and a plastic bag that could be hung up on a nail in their small houses out of the reach of children.

## Conclusions

There is a need for better monitoring and evaluation of development projects, especially the rapidly increasing number of micro-finance programs targeted to poor population groups. Few programs go beyond an accounting of program inputs and outputs (number of beneficiaries, savings, loans, repayment rates, etc.). Managers are not able to assess whether participants across the program have actually decreased their onerous debt burdens, increased their earnings, assets and consumption of basic needs. Rarely do they have a method of objectively assessing whether loan groups have progressed toward social and financial sustainability without continued resource inputs from the organisation.

Standard approaches to monitoring and evaluation typically extract information from participants, concentrate it at the top of the program with organisation staff where it often remains underutilised in the form of dry and largely descriptive (rather than analytical) information found in annual report or administrative record form. Rarely does information collected in a standard research process filter back down through the levels of the program back to the participant. The same can be said of some participatory methods that creatively use the knowledge of participants, yet still 'carry it away' for analysis and action at the top.

The internal learning system presented here reverses this process. Data gathering, analysis and action-planning are fostered at each level in the

program starting with the women participant and it is she who shares this information with the group, and the group with cluster and so forth to the program level. Each level in the organisation is encouraged critically to reflect on program outcomes – how much progress has been made? what is the next target? what is working? how to promote it? what is not working? what changes should be made?, etc.

This is a cumulative and interactive process which entails a complete commitment on the part of the organisation successfully to integrate the system into the routine and celebratory functions of the organisation. In other words, the system will not succeed as merely an add-on function to the loan program in order to obtain better monitoring and evaluation information for reports. The process of using the 'learning diaries' to carry out the five functions requires significant training inputs throughout the organisation. But the very process of using the 'learning diary' is a training 'episode' of the right sort in itself, because it directly centers on the analysis of the real life experiences of the women in the program.

For the internal learning system to be successful it must be adapted to the specific needs, structures and dynamics of each organisation in a thoughtful manner. It cannot be copied wholesale but must respond to a conceptual framework for evaluation which responds to an organisation's strategic goals and objectives. It is integrated into a workable logistical process fitted to an organisation's structure and capacities.

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