



Monitoring and evaluation (M&E)

Economics

KPMG in the UK



Robust monitoring and evaluation (M&E) is essential to demonstrate and drive impact and value for money, supporting better decision making and building trust. Using economic techniques and analysis, following good practice methodologies, we can help you achieve this.

Whether your organisation has implemented a new project, programme or strategy; made investments that need to be reported against; or set commitments, for example in relation to environmental, social or governance (ESG) goals, a credible, trusted approach to tracking and reporting performance is needed.

Our monitoring and evaluation services enable:

- ✓ reliable ongoing monitoring processes, implemented from the outset of an initiative, to allow you to track performance and take action to improve outcomes where needed.
- ✓ a detailed understanding to be gained of the outcomes and impacts of your initiative to support robust reporting of value for money and returns on investment (including from an economic, social and environmental perspective).
- ✓ evidenced insights to strengthen outcomes and processes and inform future strategic decision making on similar initiatives.

Our M&E analysis and methodologies are guided by the UK HM Treasury Magenta Book which sets out best practice principles for monitoring and evaluation. We undertake systematic and objective evaluation, enhanced by robust economic techniques, in order to apply M&E principles to the reality of often complex and nuanced projects and investments.

Our team is experienced at cutting through the complexity to understand the key routes through which impacts are expected to be delivered, the indicators which can best measure outcomes and impacts, and the innovative approaches that can be applied to value and assess the contribution of projects and programmes to these outcomes and impacts.

We put this into practice through the application of a

suite of specialist evaluation techniques including: impact mapping; primary and secondary data collection and analysis (including surveying); qualitative research; statistical and econometric analysis to support quasi-experimental evaluation design; theory-based impact evaluation (e.g. contribution analysis); and value for money analysis.

Our services include:

- **Developing monitoring/ outcomes frameworks (outcomes frameworks/ benefits realisation plans):** providing a means of tracking the performance against their objectives. They identify key performance indicators and data collection and reporting mechanisms, including use of data analytics and dashboarding for ongoing performance management.
- **Impact evaluation:** conducting assessments of the impact delivered as a result of an initiative. This requires analysis of the extent to which measured outcomes can be attributed to the initiative itself, rather than to external factors e.g. using experimental techniques or theory based approaches.
- **Value for money (VFM) evaluation:** assessing whether the benefits of initiatives outweigh their costs, including from an economic and societal (social return of investment) perspective. Broader assessments based on the National Audit Office's "4 E's" (Economy, Efficiency, Effectiveness and Equity) can also be undertaken.
- **Process evaluation:** determining what can be learned from how the initiative was delivered to provide essential learning to improve performance and inform the design of future projects and programmes.

Our tried and tested approaches to M&E apply innovative methodologies within the parameters of established good practice principles and guidance to deliver and implement analysis tailored to your specific needs.

1

Theory of change development/ impact mapping

To establish robust monitoring and/ or evaluation of any initiative the first crucial step is to understand in detail what is aimed to be achieved and how, including the causal chain of events that are expected to bring about the change; who is expected to be impacted and in what ways, and what the key dependencies for success are. We do this through synthesising existing evidence and holding stakeholder workshops to produce a theory of change (visualised in a logic model), mapping the activities that will be undertaken, their expected outputs, outcomes and impacts and the assumptions and interdependencies between them.

2

Scoping & design

Upfront scoping and design work enables us to produce a fit for purpose M&E plan. This includes working with you to identify the purposes and uses of the M&E, what questions it should seek to answer and how the outputs will be used by whom. This enables us to determine the type of evaluation needed – impact, VFM, process etc – and design an M&E Framework that is proportionate to your needs. This Framework includes the indicators and evidence sources that will be used to monitor performance and the design of the appropriate methodologies and techniques to measure and understand impact and value.

3

Baselining & ongoing monitoring

As part of implementing the M&E Framework, we first establish the baseline or counterfactual against which subsequent changes can be measured. Ongoing monitoring of the initiative's performance, at appropriate frequencies, can then be undertaken using a range of output, outcome and impact measures. We design these indicators to provide evidence of what is being achieved through the initiative and actions that may be needed to maximise success as part of benefits management. This generally involves the collection of a combination of quantitative and qualitative evidence, including existing internal management information, external data sources, and, where relevant, through primary research. Our specialist teams can also develop dashboarding tools, tailored to your specific needs, to support the tracking and reporting of progress against agreed key performance indicators.

4

Evaluation

Our evaluation builds on the ongoing monitoring, with a focus on answering the specific evaluation research questions agreed in the scoping phase and establishing the extent to which observed changes in the output, outcome and impact indicators, relative to the appropriate baseline, can be attributed to the specific initiative being implemented. Dependent on the type of evaluation, it provides an ex-post assessment of the initiative's impact, value and overall success relative to what was intended. We use a breadth of research methods and evaluation techniques to do this, including the application of theory-based impact evaluation methods, experimental and quasi-experimental impact evaluation approaches and social cost benefit and social cost effectiveness analysis.

5

Reporting & learning

The results of our M&E work are designed to provide transparent reporting and insights on the performance, impact and/or value for money of your initiative and whether the intended objectives were achieved and why. Our robust analysis and reporting supports evidence-based decision making and provides learnings to enable improvements to existing or future initiatives to maximise impact, value and success. Reporting is tailored to your specific stakeholder audiences and designed to enable effective dissemination of findings.

Some or all of the services described herein may not be permissible for KPMG audited entities and their affiliates or related entities.

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