

Millennium Challenge Corporation

# Due Diligence Methodology Monitoring and Evaluation



MILLENNIUM  
CHALLENGE CORPORATION  

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UNITED STATES OF AMERICA

# Due Diligence Methodology

## Monitoring and Evaluation

The Monitoring and Evaluation due diligence process is the procedure MCC undertakes to assess the capability of a proposed government entity to fulfill the monitoring and evaluation roles and responsibilities associated with the compact. The information gathered during the due diligence process allows MCC to make an informed decision as to whether and how the proposed entity should conduct MCC funded monitoring and evaluation functions. This document describes the procedures for carrying out this assessment.

### *Identified Areas of Integration*

During the due diligence process, MCC considers six areas of integration:

- i. National Institute of Statistics Surveys
- ii. Data Collection System
- iii. Indicator Harmonization
- iv. M&E Capacity Building Initiatives
- v. Management Information Systems
- vi. Impact Evaluation

### *Standard of Measurement*

Before MCC signs a Compact with an eligible country, MCC M&E conducts an extensive assessment of the proposal, which includes a review of the following questions:

- ★ Are proposed indicators consistent with those used by other actors?
- ★ Will performance be coordinated and/or consistent with that of other actors?
- ★ Are MCC funded activities consistent with the national plan for statistics?
- ★ Are capacity-building efforts coordinated or consistent with other actors?

This assessment is based on:

- ★ Review of national sector strategies and poverty reduction strategies, which could include indicators (whether from administrative or survey sources)
- ★ Review of national statistical development plans

- ★ Meetings with existing data sources, including specific ministries responsible for a particular sector covered by the proposal
- ★ Meetings with national statistics institutes
- ★ Meetings with other donors involved in data collection in the country (on their assessment of quality of country data sources, the content and frequency of reporting on their projects; and past and planned capacity-building efforts)

The results of this analysis are included in MCC internal documents and as a result, the following actions may be taken:

- ★ A decision to use existing country systems. (This is often done for specific projects, not for the Compact as a whole.)
- ★ A decision not to use existing country systems. (In some cases, the M&E Plan includes capacity-building activities to improve systems that exist.)