



EFFECTS OF UNDER FUNDING THE MONITORING & EVALUATION COMPONENT IN PROJECT MANAGEMENT -THE STUDY TARGETS PROFESSIONALS WORKING IN NGOS IN LILONGWE CITY

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ABSTRACT :

Monitoring and Evaluation (M&E) is a critical component for the successful implementation, accountability, and sustainability of development projects. However, many Non-Governmental Organizations (NGOs) face persistent challenges in adequately financing this component, resulting in weakened project outcomes. This study assessed the effects of underfunding the M&E component among 10 NGOs implementing various projects in Lilongwe City. A mixed-methods approach was used, incorporating document reviews, key informant interviews, and quantitative data from project reports to establish the link between M&E funding and project effectiveness. Findings revealed that limited financial allocation to M&E led to insufficient data collection systems, weak reporting frameworks, inadequate staff capacity, and reduced stakeholder engagement in assessing project progress. Consequently, many projects struggled with measuring impact, ensuring accountability, and informing evidence-based decision-making. The study concludes that underfunding M&E compromises project learning, transparency, and long-term sustainability. It recommends that NGOs and their funding partners prioritize dedicated budget lines for M&E, build the technical capacity of staff, and adopt innovative cost-effective monitoring tools to strengthen evaluation systems. By addressing these challenges, NGOs in Lilongwe can enhance accountability, improve resource utilization, and maximize developmental impact.

Introduction

Monitoring and Evaluation involves processes used to assess performance and impact of programs, projects and policies. Monitoring and Evaluation ensures accountability, evidence-based decision making, improved effectiveness and efficiency, learning & knowledge management, communication & transparency and sustainability. According to Jibril S. 2024 the primary goal of Monitoring and Evaluation is Improving project performance and achieving desired results.

Monitoring & Evaluation was introduced in the late 1960s and has grown recognition among scholars and practitioners that "effective project management goes beyond simple implementation and is naturally linked to well-designed monitoring and evaluation systems" (Woodhill, 2000 in Stem et al., 2005, p. 1; see also Hockings et al., 2000; Margoluis & Salafsky, 1998). Despite the growing recognition across the world there are still gaps noted within NGOs in Malawi and Africa at large compared to Asia, North America, South America, Antarctica, Europe, and Australia. Installation of Monitoring and Evaluation system in programming remains essential for implementation of Projects to achieve the desired results

Background

Monitoring and Evaluation (M&E) emerged in the late 1960s and has since gained widespread recognition among scholars and practitioners. It is now understood that "effective project management goes beyond simple implementation and is naturally linked to well-designed monitoring and evaluation systems" (Woodhill, 2000, in Stem et al., 2005, p. 1; see also Hockings et al., 2000; Margoluis & Salafsky, 1998). Despite this global recognition, significant gaps in M&E practices persist, particularly within NGO Non-Governmental Organizations in Malawi and across Africa compared to other regions like Asia, North America, South America, Antarctica, Europe, and Australia. These gaps include underfunding of the M&E component, limited capacity building, inadequate technology, resistance to M&E implementation, insufficient funds, weak data management systems, and a lack of necessary skills and infrastructure.

Effective project implementation requires strategic alignment of all components, with M&E being a crucial element. As Njeri and McDonald (Monitoring and Evaluation Budgetary Practices on Project Service Delivery.2023.) argue, "Successful execution of projects is critical to the development and strategic variations within an institution. However, there have been setbacks due to the deficiencies in monitoring and evaluation (M&E) practices

Importance and scope of the study

This study aims to identify key areas for improving funding allocation to the Monitoring and Evaluation (M&E) component during project planning and implementation. This will contribute to more effective and efficient M&E processes and systems. 'Effective M&E systems are crucial for enhancing program implementation performance by facilitating progress tracking against indicators, monitoring activity implementation, and tracking budget utilization.

As Njeri and McDonald (2023) highlight, "if budgeting processes are completely adhered to institutions implementation goes well and where there are deviations in project budgets, it should be reported to relevant personnel for correction and action." They emphasize the importance of the M&E budget as a "cost and revenue indicator for project managers' daily operational activities," providing information to support management decisions and enabling organizational monitoring and control throughout the implementation period.

1.3 Objectives of the study

To assess the effects of underfunding the M&E component during project implementation: Lessons from projects across 10 NGOs implemented in Lilongwe, Malawi.

The study provided

1.3.1 Main objective

To assess the effects of underfunding the M&E component during project implementation: Lessons from projects across 10 NGOs implemented in Lilongwe, Malawi.

1.3.2 Specific objective

1. To assess reasons for insufficient allocation of funding in M&E component
2. To assess the effects of underfunding in M&E System
3. To assess the Current State of Monitoring and Evaluation (M&E) Practices in Lilongwe"
4. To mitigate the effects of underfunding M&E

Scope of work

The Government of Malawi is making strides to improve Monitoring and Evaluation systems and one of the efforts is creation of the National M&E Master Plan (NMEMP) 2012 which aims at creation, integration, and deployment of M&E systems in Malawi. Although this is "owned" by the Ministry of Finance and Economic Planning & Development's (MoFEPD) M&E Division of EPD, the over 100 activities that the Secretariat in the M&E Division is required to take between 2012 and 2016 have remained dispersed. All ministries, departments, parastatal organizations, and districts in Malawi have comprehensive organizational strategic plans and well-developed policies that are anticipated to be connected to the 5-year MGDS and allow for performance evaluations against objectives' D. Denniss et al. (2014) The state of M&E Systems in Malawi.

Aligning with the Government of Malawi M&E strategic plan with focus on NGOs (Non-Governmental Organizations) where their primary focus is addressing social and environmental problems by providing services like education, healthcare, disaster relief, community development, advocacy, and raising awareness, often working in areas where government support may be limited, while collaborating with local communities to identify and implement solutions. The study focuses on both local and international NGOs in Lilongwe being the headquarters of almost 90% of the NGOs in Malawi.

LITERATURE REVIEW

Reasons for Insufficient Allocation of Funding to the M&E

Global View

Globally, insufficient funding for M&E is a recognized challenge in project management. Woodhill (2000, cited in Stem et al., 2005) asserts that effective project management is inherently linked to well-funded M&E systems, yet organizations often prioritize operational costs over M&E processes. Rogers (2003), in his Diffusion of Innovations Theory, suggests that resource allocation reflects perceived value, implying that underfunding stems from underestimating M&E's role in achieving project outcomes. Campbell (2023), CEO of Zenex Foundation, identifies four key reasons for insufficient M&E funding: underestimating its value, misconceptions of M&E as a mere task, lack of capacity in proposal writing, and donor reluctance to allocate beyond minimal thresholds (Campbell, 2023). For instance, while USAID recommends 5-10% of total budgets for M&E, many organizations allocate less due to competing priorities (USAID, 2024). Krause (2011),

Regional View (Africa)

In Africa, insufficient M&E funding is compounded by structural and capacity challenges. Masoud (2024), in a Tanzanian study, found that inadequate budgetary resources are a primary determinant of weak M&E systems, with NGOs often underfunding M&E due to donor restrictions or misaligned priorities. Ngacha and McDonald (2023), from Northwestern State University, highlight that African NGOs frequently underestimate M&E's value, viewing it as an administrative burden rather than a strategic tool, a misconception rooted in limited technical expertise. Yekani et al. (2023), studying South African municipalities, attribute underfunding to inconsistent M&E frameworks and inadequate coordination with donors, resulting in budgets below the recommended 5-10% threshold. These regional patterns suggest that capacity deficits and donor-driven agendas exacerbate funding shortfalls.

2.1.3 Local View (Malawi)

In Malawi, particularly Lilongwe City, underfunding of M&E reflects both global and regional trends, intensified by local constraints. The NGO Board of Malawi (2024) reports that of the 510 NGOs registered by November 2024, many in Lilongwe allocate less than 5% of their budgets to M&E, despite donor guidelines (e.g., USAID, 2024; World Bank, 2024). Feldacker et al. (2024) note that Malawian NGOs underfund M&E due to high system costs,

limited expertise, and donor emphasis on direct service delivery over evaluation. Similarly, a study on SOS Children's Villages Malawi identifies capacity constraints in proposal writing as a key reason, with organizations failing to justify adequate M&E budgets. Practitioner experience in Malawi, suggests that misconceptions of M&E as a secondary task further reduce its funding priority, aligning with Campbell's (2023) global observations. However, with the call for NGOs in Malawi to demand transparency and accountability in various government projects it is eminent that Monitoring and Evaluation is becoming a key player in project implementation.

Effects of Underfunding on M&E Systems

Globally, underfunding M&E systems undermines their effectiveness. Görgens and Kusek (2009) outline twelve components of a functional M&E system (e.g., data collection, analysis, reporting), emphasizing that each requires sufficient funding to operate effectively. Underfunding disrupts these components, leading to poor data quality and decision-making, as argued by Bammidi et al. (2024). Their study on automated decision-making systems highlights that inadequate budgets result in low-quality data, which propagates errors in project outcomes.

Mitigation Strategies for the Effects of Underfunding M&E

Globally, mitigation strategies for underfunded M&E systems emphasize strategic planning and innovation. Görgens and Kusek (2009) advocate prioritizing key M&E activities within limited budgets, aligning with donor guidelines (e.g., 5-10% allocation). Campbell (2023) suggests funding diversification, such as seeking in-kind contributions (e.g., software) or private sector partnerships, as practiced by Zenex Foundation. Oval Community Jobs (2024) propose leveraging low-cost technologies like mobile data collection tools and crowdsourcing to reduce costs. Krause (2011) emphasizes capacity building and political advocacy to integrate M&E into budgeting processes, ensuring long-term sustainability.

Theoretical Reviews

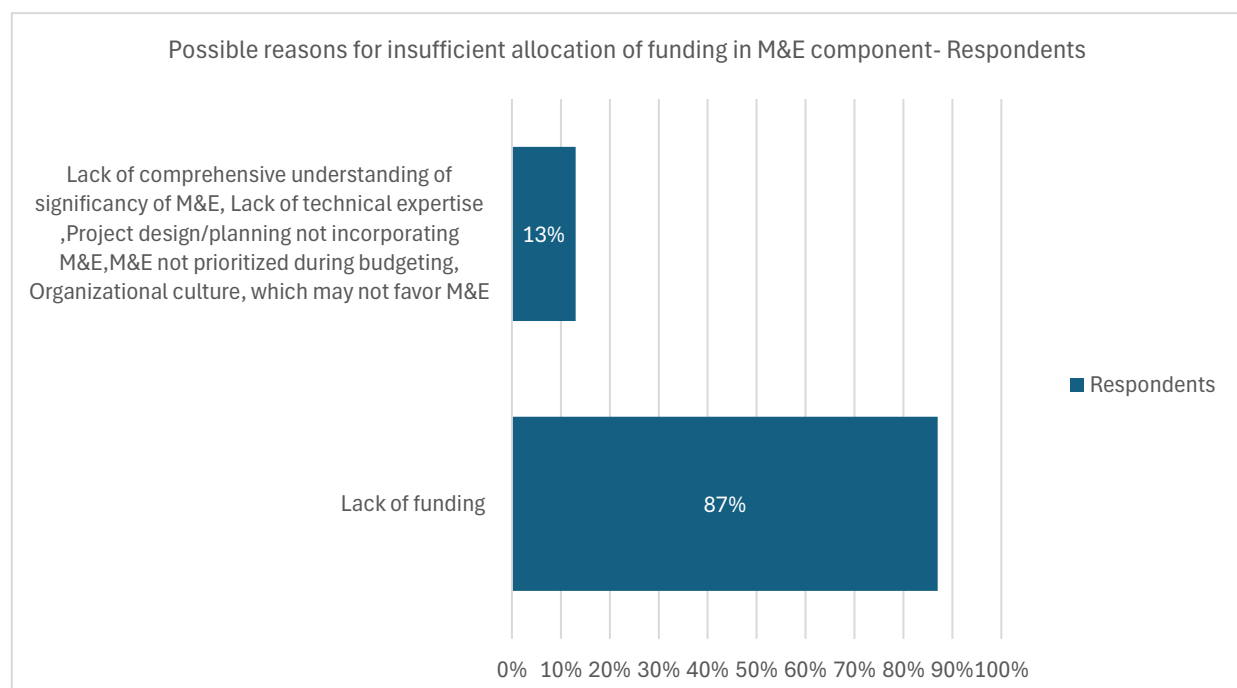
The research uses the Theory of change, there is no single creator of the "Theory of Change" notion; rather, it developed from a variety of sources, especially in the areas of social change initiatives and program evaluation. It became well known in the middle of the 1990s. Carol Weiss made the phrase "theory of change" well known through her involvement with the Roundtable on Community Change and the Aspen Institute. Additionally, the idea has its origins in earlier research on training program evaluation, such as Peter Drucker's "Management by Objectives" and the Kirkpatrick Mod.

The Theory of change assists organizations in recognizing, evaluating, and analyzing the various elements that may influence change in their initiatives. It can also be used as an assessment tool to gauge how well certain objectives are being met. The Theory of Change helps businesses better understand how change will occur in their initiatives by considering the goals, procedures, intended results, and resources related to a program or project.

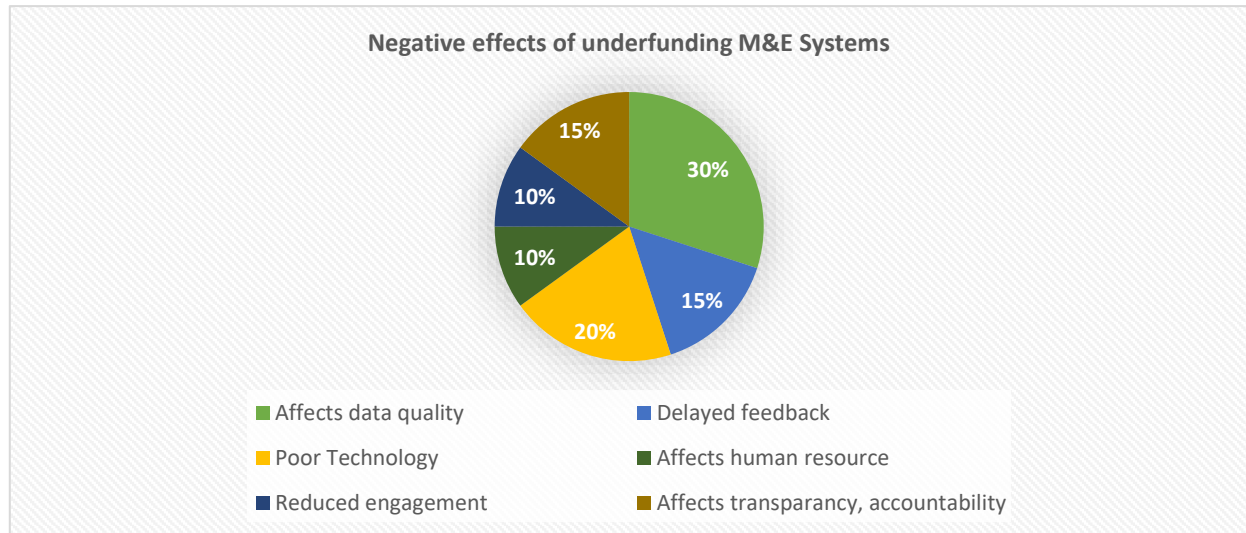
Findings and discussion

The study attributed lack of funding as being one of the factors contributing to insufficient funding in Monitoring and evaluation 87%, other factors includes, lack of comprehensive understanding of significance of M&E, M&E not prioritized during budgeting, funding decisions based on organizational culture, which may not favor M&E, Program design which may not incorporate M&E among others and falls in the remaining 13%. According to 60 participants across 10 NGOs in Lilongwe argued that most Monitoring and Evaluation is allocated insufficient funds for its operations which affects the department's operations and most senior cadres in Programs/M&E argued that most Non-Governmental Organizations prioritize other essentials making it hard to sustain on M&E functionalities. In addition, on participant argued that monitoring and evaluation needs a number of equipment which are very expensive and with the limited resources that most NGOs have it becomes a challenge to implement a variety of M&E functions, in addition with the cutting of funding most of the donor aid resources have been cut as such most of the organizations have been left with very little resources' and it becomes difficult to consider the monitoring and evaluation department.

Summary of Findings on the causes of underfunding



The study has discovered that lack of Underfunding often leads to poor data collection processes, as organizations may lack the resources to hire enough trained enumerators, supervisors, and data analysts. This results in incomplete, inaccurate, or inconsistent data. Poor-quality data reduces the credibility of findings and makes it difficult for decision-makers to rely on the M&E system for evidence-based planning. The study argued that the challenge of underfunding makes the organization employ inexperienced persons due to limited resources -10% of the respondents. The study further discovered that most of the employees lack basic training due to limited provisions for funds. In addition, the study noted that inadequate financial resources lead to limited coverage of areas as a result M&E systems and operations scales down as well to match the resources provided. This means fewer sites are monitored, fewer beneficiaries are reached, and certain programs areas go unassessed -10% respondents.



Recommendations

First, NGOs operating in Lilongwe City should increase the proportion of their project budgets allocated specifically to the Monitoring and Evaluation (M&E) component. Second, there is a critical need to invest in capacity building for M&E staff. The effectiveness of monitoring and evaluation depends significantly on the skills and competencies of the personnel managing these processes.

Suggestions for future research

First, future research could focus on conducting longitudinal studies to examine the effects of sustained M&E funding over multiple years. Second, researchers could explore sector-specific analyses to determine how underfunding affects M&E in different types of interventions, such as health, education, agriculture, or social welfare programs.

Conclusion

The study on the effects of underfunding the Monitoring and Evaluation (M&E) component in project management among NGOs in Lilongwe City has shown that inadequate financial allocation significantly undermines the effectiveness, sustainability, and accountability of development interventions. Findings indicate that when M&E activities are not adequately funded, data collection, analysis, and reporting are often compromised, leading to poor decision-making and limited learning across projects. Professionals working in NGOs highlighted that underfunding results in insufficient staffing, lack of training opportunities, weak information systems, and reduced stakeholder engagement, which collectively weaken the overall project impact.

Furthermore, the study revealed that many NGOs in Lilongwe City tend to prioritize direct service delivery over M&E, thereby neglecting the long-term benefits of systematic tracking, evaluation, and evidence-based adjustments. This imbalance often results in challenges such as donor mistrust, duplication of efforts, and missed opportunities for scaling successful interventions. The absence of robust M&E frameworks, also makes it difficult to demonstrate accountability, value for money, and measurable outcomes to stakeholders and donors.

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