PROGRAM MONITORING AND EVALUATION SYSTEM ASSESSMENT

A. Introduction

1. The purpose of the assessment is to determine whether the program monitoring and evaluation (M&E) systems enable transparent and reliable monitoring of program performance, and in doing so, that the systems will support timely remedies when performance problems occur.

2. Results-based lending (RBL) uses country systems for M&E, which for the program will primarily mean the monitoring systems of the Xi’an Education Bureau (XEB), county and district education bureaus (CEBs), and those of individual kindergartens; as well as supervisory evaluation inspections by the different levels of education department. The program M&E system monitors and reports on the achievements of disbursement-linked indicators (DLIs) and program results. The DLI verification protocols are therefore an integral part of the M&E arrangements. Program M&E systems may include multifaceted approaches, such as information systems and beneficiary group feedback. The M&E requirements are program specific and therefore unique to the Shaanxi Xi’an Preschool Education Development Program.

3. An RBL program’s M&E system (i) must promote learning and sound decision-making, (ii) should enable transparent and reliable monitoring of program performance and support timely remedies when problems occur, and (iii) should avoid cumbersome process-oriented mechanisms and focus on results. The M&E system assessment therefore seeks to determine whether a system is in place for adequately monitoring and evaluating progress on program results, including DLIs. In particular, the assessment determines whether the system can generate reliable, timely, and adequate information on results.

4. Program evaluation. Program evaluation includes process and results impact assessments. Process evaluation will be used to improve RBL program performance (e.g., in consistently achieving the required quality standards), while a results impact evaluation at the program completion stage will measure the relevance, efficiency, effectiveness, and sustainability of the RBL program.

B. Description of the Monitoring and Evaluation System

5. The M&E system for early childhood education (ECE) in Xi’an comprises four separate arrangements: (i) the national M&E guidelines and information system developed by the Ministry of Education (MOE) in 2012;1 (ii) the provincial guidelines and information system developed by the Shaanxi Provincial Education Department;2 (iii) XEB’s education management information system (MIS); and (iv) various M&E guidelines specific to national, provincial, and municipal special programs.

6. National guidelines and information system. The national M&E guidelines and the national MIS for ECE were developed to monitor and evaluate the first (2011–2013) and the second (2014–2016) 3-year action plans for ECE development, which were implemented by local governments nationwide. After the release of the new ECE policy in 2018,3 MOE issued new M&E

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2 Shaanxi Provincial Education Department. 2020. County-Level Supervision and Evaluation Indicators for Affordable Preschool Education. Xi’an.
guidelines in February 2020, building on the previous ones and the information system.\(^4\) The new guidelines specify three areas—(i) accessibility and affordability; (ii) planning, management, and financing; and (iii) quality assurance for care and education in kindergartens—to be monitored and evaluated at the county and district levels using 17 indicators. The preparation of the guidelines took account of the Organisation for Economic Co-operation and Development (OECD) benchmarks but did not follow them rigidly. Some specific quality benchmarks used are (i) the teacher–child ratio, (ii) the percentage of fully qualified teachers, and (iii) and supervisory assessments of kindergarten performance relative to stipulated national and provincial criteria.

7. CEBs are responsible for collecting data from kindergartens and preparing and submitting reports to their supervising municipal education bureaus, such as XEB. These review the county and district reports against the data they maintain and prepare, and submit consolidated reports to their supervising provincial education departments, which further consolidate the municipal reports (conducting review and evaluation checks). The Office of the National Education Supervision Committee of the State Council conducts periodic surveys and field evaluations to verify the provincial reports they receive. MOE determines in which year these M&E exercises take place. Provincial education departments and municipal bureaus are required to develop their own M&E mechanisms in line with the new guidelines.

8. This national system is currently used by CEBs, municipal bureaus of education, provincial departments of education, and MOE to monitor and report on (i) general kindergarten information, (ii) condition and management of kindergartens, (iii) revenues of kindergartens, (iv) expenditures of kindergartens, (v) fee standards adopted by kindergartens, (vi) staffing, (vii) staff training, (viii) ECE classes in kindergartens, (ix) children enrolled in kindergartens, and (x) subsidies and other assistance provided to children enrolled in kindergartens.

9. In addition to the requirement for the reporting of statistics, the following other nationally dictated inspection and M&E processes are in place:

- (i) The education department or bureau is required to undertake periodic physical inspection audits of all registered kindergartens to assess the degree of attainment of education and teaching standards and other facets that contribute to a well-functioning educational establishment. The frequency of these audits is not prescribed—local inspections depend on the local situation—but it is expected that poorly performing kindergartens receive more frequent attention than better-performing ones.

- (ii) All public kindergartens are subject to a local government financial audit, and while the scope of the audit focuses mostly on fiduciary aspects, it also includes an efficiency audit.

- (iii) All kindergartens have to prepare an annual work report that they have to submit to their local education bureau.

10. Provincial guidelines and information system. The Shaanxi Provincial Education Department (SPED) requires municipal education bureaus to carry out annual M&E exercises for ECE, using the provincial MIS for primary and junior secondary education, which was expanded to cover ECE (footnote 2). The system consists of four sections to monitor the state of ECE in all counties and districts of Xi’an Municipality: (i) affordable ECE, including gross enrollment ratio, the coverage of public and affordable private kindergartens, with three quantitative indicators; (ii) government commitment to affordable ECE, including nine indicators in county and district-

level leadership, planning, universal service networking, community-based matching kindergartens, financing, cost-sharing mechanisms, teacher salary and benefits, security protection and supervision; (iii) a guarantee of quality care and education, covering the physical learning environment, class size, staffing, management, and play-based curriculum and pedagogy; and (iv) social recognition, consisting of satisfactory survey results from parents, staff, local National People's Congress members, and Chinese People's Political Consultative Conference deputies. The system generates data on the performance by public and affordable private kindergartens to measure progress in the key indicators established nationally.

11. For the annual M&E exercises, CEBs are responsible for collecting and checking data reported by registered kindergartens in September each year, while municipal bureaus of education collect and check data reported by CEBs, consolidate them, and report to SPED.

12. **Proposed operational dimensions of program monitoring and evaluation.** The program results framework was prepared by the program management office (PMO) with the Asian Development Bank (ADB) program team. Most of the results indicators are in line with existing education data collection systems, but some additional data collection will be required. It is also required that all the public and affordable private kindergartens in Xi'an report on their performance in accordance with the program results framework indicators. The PMO shall be responsible for (i) communicating and coordinating with ADB; (ii) coordinating with all involved agencies, departments, and institutes for program preparation and implementation; (iii) submitting program implementation progress reports, safeguards monitoring reports, and annual audit reports to ADB; and (iv) carrying out program performance and compliance monitoring.

C. **Assessment of the Monitoring and Evaluation System**

13. The performance data required for monitoring the RBL program is comprehensive, and its compilation will benefit from a systematic approach to information gathering and reporting that is already largely in place. In general, the current M&E systems are considered to be suitable and effective in meeting the reporting requirements of the program results framework, since most data is available in the annual work reports to be prepared by XEB under the national ECE reporting and supervision framework.

14. However, the current M&E systems also exhibit several weaknesses. One general weakness is that the M&E systems are reliant on reports by the individual kindergartens, and the overall data quality and accuracy needs to be reviewed by the CEBs to ensure that the reporting guidelines are being implemented consistently. In addition, the current system is not fully automated for data capture and collation, which is inefficient and could lead to error. Another weakness is that the current M&E systems do not include sufficient socioeconomic information needed to assess and fully monitor the level of social inclusiveness achieved in ECE. These inherent weaknesses are mitigated through the regime of ECE supervisory and financial audits (para. 7). In addition, there are legal penalties for the deliberate misreporting of statistical information.

15. XEB, in conjunction with the CEBs and in consultation with SPED, plans to upgrade the current M&E system to increase efficiency and reduce the possibility of manual error. Such an upgrade is also needed to facilitate the collection of data required to meet the new SPED evaluation reporting rules, and also the supplementary reporting needed for the proposed RBL program.
D. Managing Risks and Improving Capacity

16. **Capacity building for program preparation and implementation.** The key risks related to the program's M&E system include the limited quality, reliability, and timely availability of data disaggregated by lower administrative unit. These shortcomings might make it challenging to monitor the performance of the RBL program and quickly address problems as they arise. The RBL modality is new to the PMO, local education bureaus, and kindergartens. It is therefore necessary to support them to build capacity in M&E for implementing the RBL program, not only in the reporting of ECE results and the verification of DLIs, but also in financial reporting, and any required safeguard monitoring and disclosure actions (e.g., improving public engagement procedures, disclosing environment safeguards documents); this will ensure compliance with the legal requirements as detailed in the program agreement and the program implementation document.\(^5\) Training will be available as required, and provided by ADB or its consultants during the period up to loan effectiveness and during the start-up phase of implementation.

17. **Analysis of information and preparation of supporting documentation.** XEB has access to data for DLI and results framework reporting, but some of this data requires substantial checking, analysis, and interpretation. XEB's capacity for such verification work is limited and utilized primarily for reporting to MOE and responding to other government inquiries. Action is needed to strengthen XEB's M&E systems to provide effective ECE results reporting, and on-the-job capacity building for assessing results that require some analytical interpretation. This will include full disaggregation and analysis of data, covering enrollment and teachers, thus facilitating a comprehensive follow-up on any issues in kindergarten performance, including access issues relating to financially disadvantaged children, children with disabilities, ethnic minority children, and any gender imbalances within the ECE system. All data should be disaggregated by sex and ethnicity. Actions to this end were included in the program action plan.\(^6\)

18. **Adaptation to the possible changes of national and provincial evaluation systems.** There have been some amendments to the reporting system on education statistics, and the new 2020 guidelines have yet to be fully implemented. Further incremental improvements are likely in the future. These potential changes may have a certain impact on the RBL program M&E if there is any different interpretation of result indicators stipulated for the government system to the definitions agreed for the RBL program. XEB will keep a close eye on any updates, revisions, and amendments to the national ECE evaluation systems, and will promptly inform ADB if adjustments to the RBL program M&E are needed to retain harmonization with MOE requirements.

19. Since the M&E systems are mostly reliant on reports by the individual kindergartens, the overall data quality and accuracy cannot be fully assured. There is the risk of schools either inadvertently misreporting or deliberately doing so to exaggerate their real level of performance. However, safeguards within the overall M&E process already exist, via the various audits and supervisory inspections that kindergartens are subjected to, and checks made by the CEBs on the performance data they kindergartens submit. In addition, some of the information used for DLIs (e.g., enrollment data) is used for kindergarten budget submissions, so this data is carefully scrutinized by local finance departments and checked during internal and external audits. For DLIs 3–8, which do not have built-in verification within the M&E system, there will be independent verification as part of the agreed verification protocol.

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\(^5\) Program Agreement and Program Implementation Document (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

\(^6\) Program Action Plan (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).
20. The new MOE performance data gathering systems were extensively pilot-tested before being widely disseminated. New results introduced into the M&E system for the specific purpose of measuring aspects of RBL performance outside the scope of the MOE systems have not been so well tested. Their practicality and consistency of application at kindergarten level is unknown and therefore presents an M&E risk. This risk is potentially more serious in terms of its impact where DLIs are involved, but this situation does not apply to this program.

21. **Demographic data.** A key issue is how to measure the total number of children aged 3–5 years for the purpose of measuring ECE coverage (i.e., the gross enrollment ratio). There is no standard method for this, and approaches differ from province to province. Data on the number of young children derived from the *hukou* registration system would create distortions because of extensive migration and especially migration from rural to neighboring urban areas (with many city immigrant families still registered as rural residents in their place of origin.) Local police records are likely the most reliable, but data access is an issue and independent verification would not be permitted. Alternatively, as in the Jiangxi Shangrao RBL M&E system, enrollment data from the first year of primary education (which is compulsory and audited) can be used as a proxy measure for the number of children in each year of kindergarten. The net enrollment ratio for primary education in the People’s Republic of China exceeded 99% in 2017.

22. **Mitigation measures.** Performance evaluation and reporting systems are always vulnerable to a degree of distortion through misunderstanding and inconsistencies in their application—with such distortions increasing significantly when performance measures become increasingly complex—so keeping things simple is an excellent mitigation measure, and the program’s selection of results and DLIs have had due regard to this. M&E systems are also at risk of being deliberately manipulated. Improved guidelines, training, and strengthened internal control can reduce this risk. For new systems or system upgrades, pilot testing in advance of full system rollout can greatly reduce initial teething problems. This is planned as part of the development and implementation of the new ECE MIS under the program. One obvious measure is for the scope of school inspections and audits to require examination of how the M&E reporting system is being applied.

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7 ADB. 2020. *Report and Recommendation of the President to the Board of Directors: Proposed Results-Based Loan to the People’s Republic of China for the Jiangxi Shangrao Early Childhood Education Demonstration Program.* Program Monitoring and Evaluation System Assessment (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President), Manila.