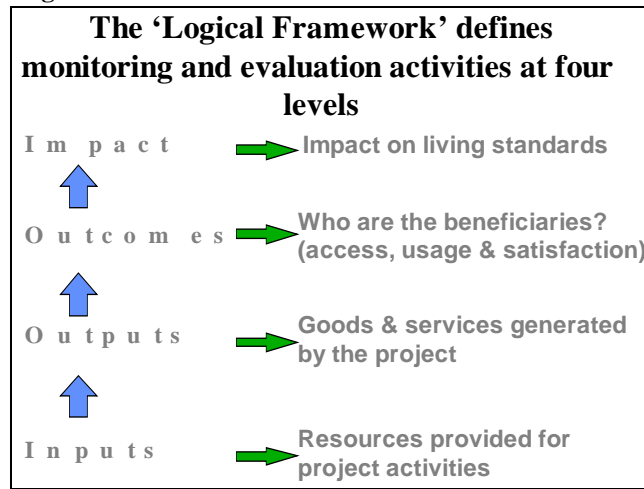


## A simple approach for designing a poverty monitoring program

The contents of a poverty monitoring system may vary from one country to the next, but the way in which it is formulated remains essentially the same and many of the elements described below can be expected to be found in most systems. The approach is not limited to poverty monitoring alone but is one that can be applied to any sector for which statistical information needs to be collected and analyzed. It builds on the idea that monitoring systems are demand-driven and developed in an integrated fashion.

The process uses the idea of the 'logical framework' which describes the project/program process in terms of **inputs** which are combined together to produce **outputs**, which in turn produce **outcomes** and finally result in a project/program **impact**. The logic of this approach being that if the inputs are not available in the right quantities at the right time, then the delivery of the outputs will be adversely affected. Again if the outputs are not generated according to plan, then the expected outcomes will not be forthcoming, and this in turn will affect the overall impact. It is therefore necessary to see that there are appropriate monitoring activities for each of these levels.

**Figure 1**



The process of developing a monitoring and evaluation program involves four steps, which are designed to address the following questions:

1. What information is needed?
2. What tools have we got? What tools do we need?
3. What outputs should the system generate? Who will produce them?
4. What resources are needed to implement the program?

This approach should help to ensure that , core data needs have been identified, a work program established, and an institutional framework defined.

### ***Step One: Defining what information is needed***

Using the logical framework approach, information needs can be grouped into four broad categories. Information for (1) **input monitoring** to monitor the level of resources being assigned to services and programs intended to reduce poverty, (2) **program monitoring** to monitor the delivery of the sectoral services designed to reduce poverty (e.g. the construction of schools, health centers etc. and the delivery of such services as agricultural extension advice), (3) **beneficiary monitoring** - to measure which population groups have access to poverty alleviation programs and projects, the extent to which they make use of them, and the degree to which these programs and projects meet the beneficiaries needs, and (4) **impact evaluation** - to measure the overall impact of policies on welfare conditions and poverty levels. Input monitoring is, in great measure a financial monitoring exercise, such as is carried out in a public expenditure review. It also involves monitoring the availability of human and material resources. The main sources of information are administrative records. Similarly, program monitoring is also an internal responsibility of the relevant line ministries. It draws information primarily from relevant administrative records, statistics, and makes no special demands on the national statistical service for information. It is the top two levels - impact evaluation, and beneficiary monitoring - however, which make the greatest demands on special data collection exercises.

Figure 2 summarizes the results of a hypothetical needs assessments exercise in which potential users have been interviewed by a needs assessment team and their views summarized. It presupposes that a country has a commitment to poverty alleviation as a key policy goal, and that consequently the overall need by the country for a poverty monitoring system has been established. The figure includes the following column headings: *Issues to be addressed*; *Information needed*; *Frequency with which the information needs updating*; *Level of disaggregation at which the data are required*, and: *Possible sources of information*.

**Figure 2 Assessment of Information Needs for Welfare and Poverty Monitoring**

Issues to be addressed	Information needed	Frequency	Disaggregation	Possible information source
<b>Impact Evaluation</b>				
<ul style="list-style-type: none"> <li>Who is healthier, wealthier, better educated, better employed as a result of public policies &amp; programs ?</li> </ul>	GDP % below poverty line (P-alpha measures) H'hold data on income, consumption, employment, health, education	Annual Every 5 years (possibly annual on small sample)	National Provincial/district/SEG	National accounts i) Household Budget or IS ii) Price statistics
<ul style="list-style-type: none"> <li>Dynamics of poverty (who moves into and out of poverty: intra-household allocation of resources)</li> </ul>	As above  Population census data and follow-up survey data	Every 3-5 years  Decennial census plus periodic surveys	Selected Communities/SEGs  Community/parish	Household Survey and/or Panel Study  Census, household surveys
<ul style="list-style-type: none"> <li>Mapping the distribution of poverty</li> </ul>				
<b>Outcome (Beneficiary) Monitoring</b>				
<ul style="list-style-type: none"> <li>Do the poor have improved access to services/programs?</li> </ul>	Distance to facilities by SEG (at household or community level)	Annual	Provincial/district/SEG	Service delivery surveys or CWIQ
<ul style="list-style-type: none"> <li>Are they making use of them?</li> </ul>	Utilization rates (enrollment rates etc.)	Annual	Provincial/district/SEG	Service delivery surveys or CWIQ
<ul style="list-style-type: none"> <li>Are the services/programs appropriate to the poor?</li> </ul>	Measures of satisfaction	Annual	Provincial/district/SEG	CWIQ <u>and</u> PPA
<b>Output (Program) Monitoring</b>				
<ul style="list-style-type: none"> <li>Are poverty alleviation activities implemented in accordance with plans?</li> </ul>	Records of services provided, facilities constructed etc.	Annual	Provincial/district	Administrative records
<b>Input Monitoring</b>				
<ul style="list-style-type: none"> <li>Public Expenditure Reviews</li> <li>Are resources being allocated to the appropriate programs in accordance with plans</li> </ul>	Financial and budget statistics	Annual	Provincial/district	Budget and financial records

SEG = Socioeconomic Group; IS = Integrated Survey; CWIQ = Core Welfare Indicators Questionnaire;  
PPA = Participatory Poverty Assessment.

### **Step Two: A five year work program**

Once needs have been identified, a program must be developed for meeting them. In this example, a number of different instruments are proposed - each one bringing in its own perspective. The proposed instruments are the following:

- **A national household income, expenditure and consumption survey or Integrated Survey (IS) every 5 years** (including sectoral modules on such issues as labor and employment, health, education, agriculture, informal sector activities), to measure shifts in overall poverty levels and to provide the means for more rigorous analysis and studies of the causes and correlates of poverty

- **A program of consumer and producer price collection** to monitor spatial and temporal price changes.
- **A program of Participatory Poverty Assessments (PPA)** to capture insights into communities' own perceptions of their circumstances and needs, also to follow up on the warning signals generated by the CWIQ or Service Delivery Survey and to focus on specific issues that are considered to be important by the poor.
- **An annual Service Delivery Survey or Core Welfare Indicators Questionnaire (CWIQ) Survey** to monitor key socioeconomic indicators and to provide quick feedback on the changing levels of access, utilization and satisfaction for different population subgroups (particularly the poor) to social and economic services.
- **A household panel study** using both structured and open survey techniques to monitor the dynamics of poverty and intra-household issues.
- In addition to the above, the monitoring and analysis of poverty also requires that a country is capable of producing: (1) **timely annual national accounts** so as to be able to monitor changes in per capita GDP levels, (2) **current public expenditure statistics** disaggregated by province and/or district, and (3) a **population census** every ten years,

Figure 3 presents a possible 5-year work program.

**Figure 3 Illustrative Poverty Monitoring and Assessment Work Program**

	Implementing agency	Year 1				Year 2				Year 3				Year 4				Year 5			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
IS/household budget survey	NSO	←→→→				←→→→															
Service delivery of CWIQ	NSO	←→				←→				←→				←→				←→			
Monthly price collection	NSO	←→→→				←→→→				←→→→				←→→→				←→→→			
PPA	NGO/Govt.	←→				←→				←→				←→				←→			
Panel Study	University	←→→→				←→→→				←→→→				←→→→				←→→→			
Ad hoc studies	Various	←→→→				←→→→				←→→→				←→→→				←→→→			
Annual report on social trends	PMU	←→				←→				←→				←→				←→			

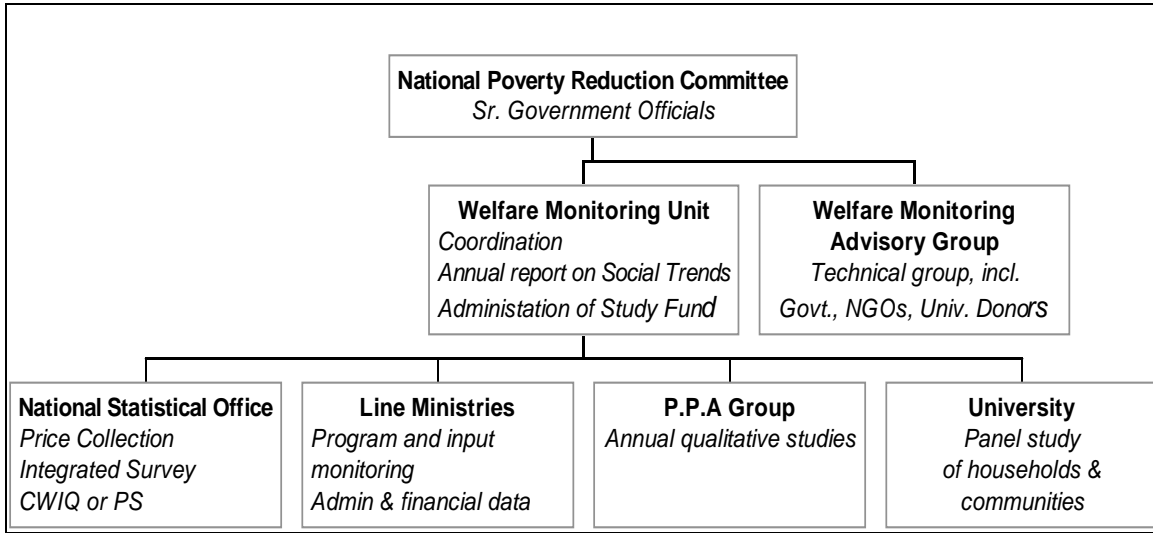
PMU= Poverty Monitoring Unit

**Step Three: Defining institutional functions and resource requirements**

In order to deliver the above work program, appropriate institutions need to be identified and, where necessary, strengthened. The three key functions of data analysis, data collection and processing, and data storage and dissemination, all have to be individually addressed.

The work need not be carried out by a single institution. The organigram in Figure 4 suggests that these activities are shared by the Central Statistical Office, line ministries, a multidisciplinary group set up to carry out the Participatory Poverty Assessments, and a university or research center to carry out a household panel study. It also suggests the establishment of a Poverty Monitoring Unit outside the statistical system (but possibly based in the Ministry of Planning) to coordinate all poverty monitoring and analysis activities. It would additionally be responsible for producing an annual report on social trends, and would also possibly be responsible for administering a study fund to promote poverty analysis and the analysis of the data generated by the poverty monitoring system. The organigram also proposes the establishment of a Welfare Monitoring Advisory Group consisting of technical representatives of organizations concerned with poverty alleviation programs (Government agencies, NGOs, universities and research centers, and donors). Capping the whole system is a National Poverty Reduction Committee consisting of senior officials and policy makers.

**Figure 4**      **Illustrative Structure of Poverty and Welfare Monitoring System**



***Step 4: Identifying resource requirements***

The final step is to identify resource requirements needed to ensure appropriate capacity in each of the institutions to deliver the program. This requires the preparation of a 5-year training program for senior, middle and junior level staff, the identification of technical assistance requirements, and the preparation of a detailed budget for submission to the various national and international funding sources.