

Organizing the Supply Side of PRS Monitoring

This chapter addresses the challenges involved in putting in place a coherent system for monitoring both the implementation of a poverty reduction strategy (PRS) and the impact of the strategy on poverty. Broadly speaking, this is the supply side of the monitoring equation. The chapter covers the process of designing and implementing a system and some of the more important organizational choices. Chapter 3 examines the other side of the equation: the use of the information and data gathered by the system. Chapter 4 addresses the question of the participation of civil society in these two sides of monitoring.

Why Create a Unified PRS Monitoring System?

When they embark on a Poverty Reduction Strategy Paper (PRSP), most countries already have a range of monitoring mechanisms in place, including survey and census programs led by national statistics institutes, administrative data systems at the sectoral level, and project-level systems. This last type of mechanism has typically emerged as a result of discrete donor initiatives on different occasions. Overall, these systems tend to operate in isolation even when they involve the same public bodies.

For example, Niger's PRSP contains a diagnosis of existing monitoring arrangements. The diagnosis found that there were 10 distinct databases and government information systems, resulting in "duplication, dispersed effort and absence of harmonization among data collection methodologies, making it difficult to compare information coming from different data sources" (Bastagli 2004a, 3).

The disadvantages of fragmented monitoring arrangements in terms of the production of data and analyses noted in the country studies on PRS monitoring include the following:

1. *Duplication and redundancies in data collection.* Local and regional governments face excessive reporting requirements, often producing the same data in different formats for different sectoral information systems. For instance, in Uganda, the annual cost of monitoring inspections runs to 1,400 staff years in the health sector alone (Hauge 2003). A lack of strategic focus often leads to redundant monitoring obligations. The greater the administrative burden caused by redundant systems, the lower the level of compliance, especially if the activity is not considered useful by the data producers.
2. *Gaps or imbalances in monitoring.* Certain sectors, particularly health and education, have received a large amount of donor attention in recent years and are often more advanced in terms of monitoring. By contrast, sectors such as agriculture have far less developed systems and practices despite their importance in the PRSP. There are also gaps within sectors.
3. *Lack of data compatibility.* To the extent that monitoring mechanisms use different collection methodologies, monitoring periods, and levels of disaggregation, this hampers joint data analysis.
4. *Poor information flows.* The information produced through monitoring is poorly disseminated across government agencies, and feedback is rarely provided to the producers of the data. This inhibits the design of effective policies and programs and makes the pursuit of cross-sectoral and thematic policies and programs more difficult.

In light of these problems, the countries under study have pursued two main supply-side objectives through the creation of a common monitoring system: rationalization and coordination.

Creating a unified PRS monitoring system usually involves rationalizing existing monitoring activities rather than introducing new ones. Such rationalization may include the termination of activities that are not central to the implementation of the PRS, the consolidation of activities duplicated by various agencies, the adoption of common definitions for all actors in the system, a reduction in the number of data platforms used in the country, and so on. Indeed, unless the administrative burden of monitoring is lightened, simply adding new monitoring requirements, even if they are tech-

nically superior to the existing ones, may do more harm than good. One study on Uganda (Hauge 2003, 7) concluded that, “new systems, even if logically sound, are unlikely to constitute any improvement unless they are also accompanied by simultaneous reductions in monitoring and evaluation elsewhere.” A PRS monitoring system aims to achieve greater strategic focus by shifting resources across monitoring activities in order to reflect PRSP priorities.

Creating a system also usually involves defining relationships among the various actors in the monitoring field. Setting up a system does not mean consolidating all activities within a central agency or under a single superstructure. Rather, a monitoring system should provide a clear allocation of responsibilities, including a calendar of activities, thereby increasing transparency and enabling the various agencies to be held to account for their performance. It should also help foster stronger working relationships between the actors both inside and outside government. It should map and organize information flows to ensure that data are available to the appropriate people at the proper time. It should develop modalities for consultation and cooperation and mechanisms for agreement on common needs and standards. A monitoring system is therefore not the sum of monitoring activities; more accurately, it is a network among a wide range of actors, and it ensures that the activities of these actors complement and inform each other and respond to policy-making needs.

Designing and Implementing a PRS Monitoring System

Both rationalization and coordination pose substantial challenges. Among the countries under study here, all but four have taken steps to create a common PRS monitoring system, although, in some cases, this has so far been limited only to a proposal; and only three countries (Honduras, Tanzania, and Uganda) have begun to operate systems with a fair degree of correspondence between formal design and actual practice. Even in these cases, however, the authors report continuing problems in coordination. In other countries, efforts to systematize PRS monitoring remain at an early stage.

In the country studies, the authors report strong disincentives to rationalization and genuine coordination. As the Tanzania country study notes, agencies tend to defend their separate monitoring activities because these justify more staff and attract per diems and allotments to cover field expenses, which are an important source of civil service earnings. This leads to what has been described in Uganda as “bureaucratic segmentation and

fierce territoriality” (Hauge 2003). Ironically, it is the more advanced subsystems in education and health, where donor assistance has been concentrated, that are likely to be the most resistant to central coordination.

In the face of these disincentives, the obvious danger is that PRS monitoring systems will remain purely notional and will not change bureaucratic realities. Though it may be too early to judge, this appears to have been the result in a number of the countries under study. Many coordination efforts are abandoned or simply run out of steam within a short time, leaving monitoring to continue in an ad hoc fashion. Some of the countries have already gone through several different design processes, without much implementation.

In such cases, the problem is probably not in the institutional design itself, but in the process of design and development that has failed to secure the necessary buy-in by stakeholders. Most of the design processes appear to have been fairly narrow exercises. In a few cases, they have begun with surveys of existing monitoring arrangements and capacities and the identification of the need for rationalization and coordination in general terms. There has usually been some consultation with stakeholders across government (and, less often, in civil society), but formal stakeholder analysis and participatory design processes have generally not been used. In most instances, external consultants have been engaged to produce a monitoring strategy or master plan setting out the main features of the system. Usually, this has been done two or three years after the first PRSP.

In most cases, the original design of the system consists of a conceptual representation of information flows, the nomination of a central body to collect and compile monitoring data, and the formation of one or more interagency committees or working groups where stakeholders meet to agree on indicators and monitoring priorities. The details of the system—definitions of roles and responsibilities, standards, modalities for cooperation, calendars of activities, and so on—are left to be resolved within the working groups. However, if the working groups are not effective or the political will dwindles, the initiative may stall at this point without achieving much real coordination.

A number of the country study authors call for greater clarity and detail in the definition of mandates and responsibilities in order to reinforce accountability and promote greater compliance. They point to the importance of formal obligations in overcoming bureaucratic inertia. Most of the monitoring systems are not supported by a regulatory framework, although regulations are anticipated in some situations. In a few instances

(Albania, Bolivia, and the Kyrgyz Republic), monitoring strategies have been formalized through a government or presidential decree. In Latin America, there are plans to elaborate responsibilities in the form of inter-institutional agreements, but these have yet to be developed. In Africa, the monitoring strategies (like the PRSPs themselves) appear to have no formal status.

While the argument could be made that a legal framework is needed to support a monitoring system, there are also clear limits to the cooperation that can be achieved through top-down authority if the design process has not established buy-in by stakeholders. In the Kyrgyz Republic, the central coordinator of the PRS monitoring system (the Comprehensive Development Framework Secretariat), located in the presidential administration, is an extremely powerful organization on paper, with the authority to compel line agencies to produce information on pain of sanctions. It is also the principal advisor to the president on economic policy. However, with severe capacity constraints across the administration, low interest in monitoring among line agencies, and a lack of expertise within the secretariat, this centralization of authority has not brought about any apparent benefit, and the system functions poorly.

Overall, experience suggests that PRS monitoring systems are basically consensual in nature and function properly only if participants consider them useful and legitimate. Once there is a level of agreement on the need for and the main characteristics of a system, regulation appropriate to national administrative traditions can be introduced to reinforce predictability and mutual accountability. Without an initial common purpose, however, imposing legal or administrative obligations is likely to produce only token compliance. It is also important to ensure that the system remains flexible. Indeed, priorities, capacity, and institutions are not static in nature, and the system needs to be able to adapt to this changing environment to harness the capacity of the various actors for the shared objective of PRS implementation.

The sponsors of a PRS monitoring system therefore need to be effective advocates of the need for a common monitoring system. An approach that seems to be successful in Honduras is the use of a participatory process for selecting indicators in order to demonstrate the benefits of cooperation. If the process is taken seriously, selecting quality indicators requires participants to revisit their strategies and the hypotheses and assumptions that underlie them and to examine their administrative structures and the data these structures generate. This creates a snapshot of policies and

institutional realities among the agencies active in each sector, thereby helping to encourage a coherent focus on PRS priorities.

One example offered by a participant in the Honduran process concerned illegal logging, a cross-cutting priority area in the PRSP. In order to select appropriate indicators, more than a dozen public agencies that were engaged in some aspect of the issue (law enforcement, forestry, conservation) were brought together for the first time to analyze the problem, define their roles, and compare strategies; reportedly, they came to recognize the need for a joint monitoring framework. Where the monitoring arrangements emerge out of a shared commitment to solving practical problems, they have a much greater chance of success.

Choices in Institutional Design

Among the countries under study here that have developed PRS monitoring master plans, the institutional designs look broadly similar on paper. Each PRS monitoring system contains the following basic elements:

1. A high-level *steering committee* to provide political support and oversight and usually chaired by the prime minister, minister of finance, or, in presidential systems, a senior adviser to the president. This body is often also responsible for PRSP implementation as a whole. In terms of monitoring, it typically sets monitoring priorities, approves annual progress reports, and feeds monitoring outputs to the government.
2. A *coordination unit* or *secretariat*, responsible for coordinating monitoring activities, convening interagency meetings, compiling data, and drafting reports. It may be located within the office of the president or prime minister, or in a ministry of finance or planning, and it usually contains a small number of dedicated staff.
3. Several *interagency committees* and *working groups*, sometimes with a sectoral or thematic mandate, that promote interagency cooperation and dialogue. They may be responsible for defining sets of indicators and information needs, preparing sectoral reports, and advising policy makers. They often include representatives of civil society and donors.
4. The *national statistics institute* is always a key component of the system as one of the most important primary data producers. It may also be responsible for compiling administrative data from the line ministries, setting overall data standards, developing information technology platforms, and providing technical assistance to other data producers.

5. *Line ministries* are usually required to nominate a point of liaison with the PRS monitoring system; this may be an individual official (such as a director of planning) or a dedicated monitoring and evaluation or statistical unit that has responsibility for compiling sectoral data.

While the institutional structures look broadly similar in outline, their performance is strongly influenced by power relations among the various actors, the administrative and political culture, and the relative capacity of agencies. The key institutional issues therefore relate to the relationships and modalities for cooperation among all these actors. The following sections set out key considerations in developing and strengthening these relationships.

Leadership

The country studies suggest that the initial choice for the institutional lead in the process of developing and implementing a PRS monitoring system is critical. The authors of the studies point to the need for strong leadership, located close to the center of government or to the budget process. The appropriate location will depend on country circumstances.

In the country studies, the range of institutional leads includes (1) ministry of finance (Albania, Mali, Niger, Uganda), (2) ministry of planning (Malawi, Mauritania), (3) office of the president (Bolivia, Guyana, Honduras, the Kyrgyz Republic, Nicaragua), and (4) office of the vice-president (Tanzania). Lucas, Evans, and Pasteur (2004) comment that it is more likely to be a ministry of finance in Africa and a ministry of planning in Asia. In Latin America, the trend appears to be toward the office of the president.

Given the rivalries that often exist between ministries of planning and finance, the choice of institutional home is likely to affect the orientation and authority of the system. Leadership by the ministry of finance helps to link monitoring to the budget process, which is often seen as a condition for an effective PRS monitoring system. Ministries of planning may be better equipped to analyze monitoring data, but may lack the authority to champion the system effectively. In Malawi, the Ministry of Economic Planning and Development is a relatively weak player in the political system, and the country study notes that other ministries are not even aware of its formal leadership role in the monitoring process. The Ugandan PRS monitoring system has benefited in recent years from the support of a

combined planning and finance superministry, but there are signs that the authority of this institution is beginning to wane. In Tanzania, the national poverty eradication division is located in the Office of the Vice-President, which gives it political authority, but the country study notes that its institutional separation from the budget process does not support the goal of results-oriented budgeting.

Leadership appears to be more effective when it is invested in a single agency, rather than in an interagency committee. Leadership needs to be exercised actively, with commitments from senior politicians and supported by champions able to make the case for a common monitoring system across the administration.

The choice of the institutional lead should reflect current political and institutional realities and the way that development policies and resource-allocation decisions are actually made. It may also depend on where individual champions are located, although there are risks associated with tying institutional choices too closely to personalities. The country studies suggest that the leadership role may need to change over time in response to political and administrative developments.

Coordination

Organizing effective coordination among the institutional actors emerges in the country studies as one of the most difficult challenges. Most of the countries have created a series of interagency committees and working groups to gather the various agencies and discuss coordination needs. These often include representatives of civil society organizations and donors. Effective coordination means rationalizing existing monitoring activities and agreeing on common procedures and standards. Agencies are often protective of their autonomy and their separate monitoring roles, which attract resources. Against this background, several of the country-study authors are skeptical that simply bringing representatives around a table is enough to produce genuine coordination. Where incentives act against coordination, interagency committees tend to produce superficially plausible solutions, such as ambitious new training programs or information technology investments, without addressing underlying issues.

In light of these problems, the committee structures described in some of the country studies appear too elaborate for the amount of coordination they actually achieve. Mali, for example, has 13 thematic working groups and plans to add nine regional committees. According to several country studies, the

working groups meet only once a year to prepare annual progress reports (for example, in Albania), and make little contribution to coordination.

Including representatives of civil society and donors broadens participation, but care should be taken to avoid losing group coherence. In Bolivia, the membership of the four working groups was very diverse, with few common interests among the members and few incentives to dedicate the time that was required. The working groups met irregularly and were eventually dissolved. The Mauritania study points out that data producers and users often meet in committees to discuss priorities, but that few concrete recommendations ever result. It is therefore better to avoid elaborate or burdensome coordination structures and, instead, focus on building productive working relationships between agencies.

Effective secretariat support is important. A secretariat is needed to prepare meetings, ensure that they are focused and substantive, follow up on agreed activities, and perform central tasks for the system, such as the compilation of reports, report dissemination, and so on. It should also play a mediation role among the actors. For example, national statistics institutes often complain that, when users of statistical information are asked to define their needs, they make complicated, unrealistic demands without identifying their priorities. This problem is unlikely to be resolved through occasional meetings. It requires the presence of a third party able to organize a structured dialogue between users and the statistics institute, to work through the issues, and to encourage the parties to identify their real needs and constraints. This requires certain skills within the coordination unit, plus dedicated resources. In some of the countries under study, this function has been undermined by high turnover among staff in the coordination units.

Donors can play an important role in fostering coordination by not undermining the national PRS monitoring system with parallel mechanisms, by using the system for their own reporting needs, and by supporting the system, as follows:

- Donor funding for separate project-level monitoring structures that are not related to the PRS monitoring system may create a strong disincentive to rationalization and coordination since agencies might be keen to secure such funding. Limiting such parallel structures may help promote PRS monitoring systems.
- While donor information needs are not necessarily the same as those of the government, donors should strive to support the PRS monitoring system and use it for their own purposes. To ensure that donor information

needs are met by the national system and to avoid the push for parallel systems, these needs should be considered during the design phase. In addition, donors should work toward aligning their reporting requirements and procedures with the PRS monitoring system to ensure they can effectively use the system for their own monitoring and reporting needs. This will then provide incentives for the government to improve the PRS monitoring system.

- Donors can also actively support the PRS monitoring system. Ideally, such support is best provided by championing the entire system. Indeed, as is often the case with statistics, donors tend to favor funding for particular activities, such as specific surveys, while the core administrative functions of the agencies are underresourced. This results in low capacity to organize, plan, retain staff, coordinate, and so on. In contrast, supporting the institutions and agencies more broadly is required for the strengthening of systems. To reduce the strain on capacity, donors should ideally also pool their support of the system through mechanisms such as common funding baskets.

Ultimately, however, a precondition for effective coordination is a shared commitment across the various agencies to the creation of a successful PRS monitoring system. This has as much to do with an effective design process, advocacy, and political leadership as with the system design.

Liaison with line ministries

All the PRS monitoring systems described in the country studies are second-tier systems in that they rely on routine administrative information from line ministries for an important part of their indicator data. As discussed elsewhere above, the PRS monitoring system should not seek to consolidate all monitoring activities under one agency, but, rather, should coordinate activities undertaken by a wide range of agencies for their own internal management, as well as for monitoring broader policies and interventions. The PRS monitoring system must ensure that information on basic sets of indicators is collected from line ministries in a timely fashion. This will allow the assessment of progress in implementing the PRS as a whole and strengthen the accountability of ministries with respect to the center of government.

Ministries and other public agencies, including social funds, are usually required to nominate liaisons to a PRS monitoring system. These liaisons may be dedicated monitoring units or officers such as directors of planning,

The liaison points are responsible for ensuring the timely delivery of indicator data and may represent their agencies on committees and working groups. Such links have not been functioning adequately in many of the countries under study, often because the liaisons nominated have lacked the authority, time, or incentive to carry out the role effectively.

In practice, this means that PRS monitoring systems are heavily dependent on the quality of sectoral monitoring arrangements. Weaknesses in administrative information systems represent critical constraints according to all the country studies. In Albania, for example, monitoring and evaluation units in 16 line ministries have extensive responsibilities under the PRS monitoring systems, including for developing sectoral indicators and targets, establishing and maintaining databases, reporting, and policy advice. In practice, these units are more virtual than real. No specific budgets or dedicated offices are provided, and the staffs all have primary responsibilities in other sections of their ministries. Monitoring and liaison functions are not included in job descriptions. As a result, the units are largely ineffective for both sectoral and PRS-level monitoring.

In Honduras, management, planning, and evaluation units have been created within line ministries to replace the former secretariat of planning, but are considered a poor substitute. They are run by low-paid, long-tenured staff with poor training and little information technology support. They are unable to provide quality control on the data collected by local offices. Reporting obligations under the PRS monitoring system are not aligned with sectoral information systems, and separate project-level monitoring and reporting requirements linked to donors often take precedence. According to one commentator, "An emerging lesson . . . is that performance information is primarily a management tool at the sector and organizational level" (Holmes 2003, 10).

PRS monitoring systems are more likely to be effective if line ministries are actively engaged in monitoring to fulfill their own management purposes and if the liaison role is performed by individuals who are substantively involved in sectoral monitoring and policy making. If there is no substantial practice of monitoring at the sectoral level, the PRS monitoring system will need to include a more active strategy to promote monitoring across government. One option is to require line ministries to dedicate funds and full-time personnel to the monitoring function and to include monitoring obligations in departmental work plans and job descriptions. There may also be a need for capacity-building programs at the ministerial level, although a number of the country studies warn that poor

monitoring practices are more likely the result of weak incentives rather than capacity constraints.

The role of the national statistical system

In many of the countries under study, national statistical systems have benefited from extensive donor assistance since the early 1990s and are the most institutionally advanced elements of the PRS monitoring system. This volume does not cover the organization of statistical systems directly, but a few issues concerning the relationship of these systems to PRS monitoring are noted in the country studies.

First, in a number of countries there have been initiatives to develop a statistical master plan, often accompanied by the establishment of inter-institutional committees designed to link national statistics institutes to data users. In some cases, these master plans and structures predate the PRS monitoring systems and have not been revised subsequently, leading to overlapping coordination structures and redundant committees. In a few cases (Bolivia, Honduras, Nicaragua, Uganda), the authors of the country study have noted the potential for institutional rivalry between the two systems. Care should be taken in designing a PRS monitoring system to ensure complementarity with the development of the statistical system. The recent effort by many countries to establish national statistical development strategies driven by the needs of the national PRS goes some way in this direction.

Second, national statistics institutes are often allocated a standard-setting, technical-assistance, and capacity-building role in relation to administrative information systems. In most cases, they have been slow in taking up this role. The problem may be partly a result of the existing funding modalities for statistical systems. National statistics institutes tend to prioritize large survey and statistical operations, for which donor funding is readily available, leaving little time for other functions. For instance, in Malawi in 2004, only one-fifth of donor funding for the statistical system was assigned to regular statistical activities; the bulk went for irregular or development activities (Paris21 2006). To remedy this, donors may need to consider more flexible ways of supporting the institutional development of national statistics institutes, such as through basket funding.

A third issue relates to the use of survey data within the PRS monitoring system. After large surveys have been conducted, national statistics institutes sometimes offer training to other agencies in the use of the data, but, in most cases, the wealth of data available from the surveys is not being

used effectively to support PRS monitoring. In Albania, for example, despite substantial donor investment in a Living Standards Measurement Survey, the country study reports that senior management in line ministries distrust the survey data, preferring to rely on outdated and inaccurate administrative sources. None of the line ministries has even sought to access the data set. There may need to be more effort to train policy makers in the use of survey data.

A final point relates to the scope of statistical systems. Statistical systems are meant to encompass both central statistics agencies and other producers of statistics, including sectoral ministries and local-level government agencies. In many of the countries studied, there is a disconnect between the central agencies and the wider system, which often results in gaps and redundancies. The peripheral agencies also typically perform less well than the central ones, resulting in the weaknesses in administrative data mentioned elsewhere above. An analysis of the availability of statistics for monitoring the Millennium Development Goals identifies the peripheral agencies as the weakest part of the system (Paris21 2006).

Involving local governments and local agencies

A number of country studies note the particular challenges posed by decentralized service delivery, particularly during the actual process of decentralization. However, few of the countries studied provide for the representation of regional or local governments in the PRS monitoring system structure. Guyana has established, on a pilot basis, PRS regional committees that are responsible for regional monitoring, dissemination, and capacity building. Mauritania is unique since its regional governments each have their own monitoring arrangements and gather regularly to compare progress and the lessons learned.

Whatever the structure of government, the challenges of collecting accurate and timely monitoring information from the local level are substantial. A number of country studies comment that even line ministries have difficulty communicating with their own regional outlets, and the channels of communication for the broader PRS monitoring system may be even harder to establish. Local capacity is often acutely constrained. Agencies already find compliance with basic accounting rules for development programs difficult, which suggests that they are unlikely to be able to comply with more sophisticated performance-monitoring requirements. Finally, multiple reporting requirements impose a heavy burden on local-level agencies.

There are many types of decentralized systems, and the critical characteristic for monitoring is the direction of accountability of the local agency. In the case of deconcentration and delegation, funding comes from the central government, and the local governments or agencies remain largely accountable to the central government. This provides incentives to comply with the needs of the central government, but can limit the incentives for agencies to use information to manage their own activities. In the case of devolution, local governments have some degree of political and fiscal autonomy, which shifts their accountability downward toward their local constituencies. This increases the opportunity for local governments to use data to inform their own policy making and their reporting to local constituencies, but reduces the authority of the central government.

The process of decentralization poses particular challenges to the establishment of a viable PRS monitoring system, and these challenges have not been resolved satisfactorily in any of the countries under study. There appears to be two competing approaches available.

The centralized approach. Here, the central government retains control of the process by centrally monitoring local governments. Countries have recognized that the process of decentralization carries the risk of exacerbating regional inequalities and the local capture of services or funds and have tried to strengthen the monitoring of local authorities by the central government. In Peru, for instance, the transfer of functions to particular local authorities takes place if and when the central government certifies that these local authorities have the necessary management and financial systems in place.

The decentralized approach. A few countries have tried to encourage local governments to develop their own monitoring arrangements so as to define and meet their own monitoring needs, as well as to supply administrative and financial data to the center. This supports the basic objective of decentralization, that is, to bring policy decisions closer to the communities they affect, but it might be constrained by limited capacity. This appears to be the preferred approach in a number of the African cases, although there has been little progress in implementation.

A PRS monitoring system can be promoted in a decentralized context by establishing three channels of accountability, as follows:

1. The *accountability of local governments and agencies to the central government* involves reporting reliable data to meet the needs of the center. This requires incentives, especially in the context of devolution, such

as, for instance, linking fund allocations to compliance. In Uganda, for example, local governments receive the bulk of their funding in the form of conditional grants from the center. They are required to monitor service delivery and development expenditure as a condition of the grants, creating a financial incentive for local monitoring. This, however, could penalize poorer areas or weaker agencies, which tend to have lower capacity. Overall, the incentives needed for the system to function might have to vary for different local agencies and governments that have different constituencies.

2. The *accountability of the center to local governments and agencies* requires the center to feed back data and analysis disaggregated at a level of disaggregation that is meaningful and useful for local governments and agencies. Among the countries under study, only Bolivia approaches the accountability of the center toward local governments in a systematic way. The Vice-Ministry of Strategic Planning and Popular Participation coordinates monitoring and evaluation activities at the regional and municipal levels. It is charged with disseminating information back to municipalities and providing feedback on the monitoring information they provide.
3. The *accountability of local governments and agencies to their constituencies* may be enhanced through the introduction of requirements to communicate results locally, for example, by posting information at schools, health clinics, and community centers. This strengthens local demand and can be effective since local governments may be more responsive to community demands than to the central government. Thus, the local vigilance committees in Bolivia, which comprise representatives of community-based organizations and enjoy a high degree of local legitimacy, are legally empowered to scrutinize local spending and service delivery under a law on popular participation, and are entitled to funding from municipal budgets.

More generally, a number of strategies suggested in the country studies may help promote the production of high-quality, reliable data. These include the following:

1. The *careful selection of indicators* for monitoring at the local level. These should be readily measurable indicators so as to minimize the administrative burden. Evidence suggests that the best way to increase compliance in the short run is to make it easier to comply.

2. *Definitions of requirements that are adapted to local capacity.* Capacity constraints are difficult to address because of the number of actors involved and the small size of many local institutions (which may not have sufficient staff dedicated to monitoring). The central system also typically needs to build its capacity to process and analyze a growing volume of information. In Peru, for example, plans to extend the computerized financial management information system to local governments will triple the number of system users, creating daunting technical challenges.
3. *The adoption of a shared list of definitions and classifications* to be used systematically across reporting units and geographical areas. Such an effort helps prevent significant miscalculations in aggregating data and misinterpretations of the resulting information.
4. *The harmonization of reporting requirements* among various agencies (sectoral ministries, local government administrations, donor-supported projects, ministries of planning, ministries of finance, and so on) to reduce the burden on local agencies.
5. *The development of quality-control mechanisms at the central level* where the data are collected and aggregated, and the system should be able to deploy targeted technical support and capacity-building programs to address quality issues revealed through these mechanisms.
6. *The use of secondary monitoring methods* (such as public service satisfaction surveys) to triangulate local administrative data in order to identify biases in reporting.
7. *An understanding of the process of data aggregation and disaggregation*, which can be difficult because agencies and interventions may use different definitions and vary in coverage (for example, local health posts versus regional hospitals; district borders that do not correspond to the jurisdictions of the subnational agencies of central ministries). Understanding how data are aggregated and the level at which they are collected helps identify what is feasible at the local level and what is sufficient for the PRS monitoring system.