
Diagnostic Tool: The Institutional Dimension of PRS Monitoring Systems

The following checklist is a diagnostic tool. It presents in schematic form the issues that should be considered in the design and implementation of a system for monitoring the execution of a poverty reduction strategy (PRS). The checklist is intended to generate country-specific information that maps out the current PRS monitoring system and the demands, activities, and capabilities of key stakeholders. By addressing the issues in the checklist, one should be able to identify the opportunities, limitations, and options for building and strengthening a realistic PRS monitoring system.

The checklist is broken down into three components. These components are interrelated; some questions may therefore appear under more than one heading.

The first component—*the institutional context and design of the PRS monitoring system*—is geared toward understanding the key stakeholders and agencies involved in PRS monitoring, the way they interact with each other, and their interests and abilities with regard to participation in the PRS monitoring system.

The second component—*the ability of the PRS monitoring system to supply information*—focuses on the activities, capabilities, and resources of key actors and agencies on the supply side of the PRS monitoring system. The goal is to understand the capacity of the system to supply the data and analysis needed to monitor the PRS effectively.

The third and last component—*the demand for and use of PRS monitoring system information*—focuses on the assessment of the information needs of key stakeholders and on mapping the processes and systems through which the monitoring information is used. The aim is to under-

stand the demand side, that is, the need, uses, and incentives for PRS monitoring outputs.

Institutional Context and Design of the PRS Monitoring System

What is the design of the existing PRS monitoring system? What is the institutional context surrounding the PRS monitoring system? For example, what is the context in terms of coordination, leadership, legislation? In what ways does the institutional context support the PRS monitoring system?

The design process for the PRS monitoring system

- Is there a single PRS monitoring strategy or master plan? What is its status? Is it being implemented?
- Did the design process include a diagnosis of existing monitoring arrangements? Were monitoring systems already in place that could be used for the monitoring and analysis of progress in terms of PRS inputs, outputs, and outcomes? Were these systems incorporated into the PRS monitoring system?
- Did the design process include a stakeholder analysis? Were existing and potential stakeholders of the PRS monitoring system process identified?
- Did the design process include a needs assessment? Were the various stakeholders, including institutions, consulted about their needs? How was this concern incorporated into the system?
- Did the design process include a data diagnostic? Were the various data needs for the PRS monitoring system mapped out? What data sources existed? Were these incorporated into the system? How was this done?
- Was the design process participatory? Were stakeholders invited to participate in the process of designing the system? In what ways did they help design the system?

Institutional leadership

- Does the government have a political commitment to the PRS monitoring system? Has there been explicit support at a high political level? Are there champions actively making the case for a common monitoring system across the administration?

- Which agency leads on the design, coordination, and implementation of the PRS monitoring system (for example, the ministry of finance, the ministry of planning, the office of the prime minister, president, or vice-president)?
- Is the choice of locus of leadership conducive to providing actors with incentives to participate in the PRS monitoring system (that is, close to the budget and planning processes)? Does it effectively play its role?

Coordination

Coordination mechanisms

- Which mechanisms, such as committees or working groups, have been established to facilitate coordination among agencies and stakeholders?
- Is their composition stable?
- Are various stakeholders represented at an appropriate level to reflect and ensure their commitment?
- Is there a functioning secretariat of the PRS monitoring system?
- Are the meetings organized in a way that supports coordination?
- Are the information flows adequate to support coordination?
- Is the burden on participants excessive?

Oversight

- Is there a high-level body able to provide oversight and encourage compliance within government administration?
- How active is this body?

Liaison with local government

- Where this might be relevant, are regional and local governments represented within the coordination mechanism of the PRS monitoring system?
- Are local governments participating actively in the system? Do incentives support or hamper effective coordination?
- Is the institutional design of the system too elaborate for the capacities of local governments?

Liaison with line ministries

- How do liaisons with line ministries and other agencies function in the PRS monitoring system? How does the system relate to the monitoring arrangements of line ministries?

- Do line ministries take the liaison function seriously? Do they participate actively in the monitoring system? Which incentives support or hamper effective coordination?
- Is the requirement to monitor inscribed in the budgets of line ministries? Within the organizational structures of line ministries? In the job descriptions issued by the ministries?
- Is the institutional design of the monitoring system too elaborate with respect to the capacities of line ministries?

Liaison with civil society

- Is civil society participating in the working groups and committees of the PRS monitoring system?
- Are these civil society groups participating actively in the system? Which incentives support or hamper effective coordination?
- Is civil society represented in an appropriate manner? Who selects the civil society representatives?
- Have civil society organizations been adequately consulted about the roles they may wish to play? Are they able to fulfill these roles?

Liaison with development partners

- Are development partners providing incentives and other encouragement to government agencies to use PRS monitoring information?
- Are development partners using the PRS monitoring system?
- Are development partners supporting or crowding out national accountability mechanisms?
- To what extent is the demand for monitoring data from development partners coordinated? To what extent is the demand from development partners uncoordinated? What is the resulting impact on the functioning of the PRS monitoring system and the related actors? Do the differing monitoring requirements of development partners contribute to a sense of territoriality among government agencies and thereby discourage coordination?

Legislation and regulation

- Are the roles and responsibilities of various actors clearly set out? Is this supported by a legal framework? What is the nature of this legal framework? Has the framework been implemented?
- Is the lead agency within the PRS monitoring system explicitly charged with the compilation and dissemination of the outputs of the system?

- Is there legislation regulating the access to and dissemination of information and data in the country? Does it provide incentives to disseminate information widely or does it restrict information flows? Are the data producers effectively required to provide their information to other users within and outside government?
- Have quality standards been set for data?

Outputs and links to policy-making processes

- Are the outputs of the PRS monitoring system designed within a perspective on how they are to be used in policy making? Have the relevant policy-making processes been mapped out? Have the entry points for system outputs been identified? Have system activities been defined accordingly?
- Do mechanisms exist for consulting users within or outside government on the relevance of the outputs, emerging needs, and priorities that the PRS monitoring system should address? Do these consultations influence the functioning of the system? How?
- What are the institutional links between the PRS monitoring system and policy-making processes? Are outputs produced in a timely fashion to affect particular events, including budget preparations, parliamentary hearings, planning sessions, budget approvals, reporting, and so on? Are these links effective? Are there other channels through which the information produced by the system may influence policy?
- Is there evidence that information produced by the PRS monitoring system has been used by the government during various decision-making cycles such as for budgets, sectoral plans, investment planning, and so on? Is monitoring information circulating beyond government and stimulating public debate on policy choices?

National statistics

- Is there a functioning national statistical system where various data producers may coordinate their activities, common standards and principles are issued, and so on? Is there a national statistics institution? Is there a national statistical master plan?
- How well are the PRS monitoring system and the national statistical system integrated? Are there overlaps between the two systems? Poten-

tial rivalries and conflicts? Is the PRS monitoring system consistent with other plans and processes for the development of the statistical system?

- What roles does the national statistics institution play in the PRS monitoring system? A standard-setting, technical-assistance, or capacity-building role? Does the national statistics institution have the resources to fulfill its roles?

Ability of the PRS Monitoring System to Supply Information

Is the PRS monitoring system able to supply the data and analysis needed by users? Is the framework able to provide adequate resources for the monitoring processes?

Capacity for data production

Are data relevant to the elaboration and monitoring of the PRS generally available? Are data deficient in particular areas? Where are the gaps?

On each type of data, including data that are missing or are low in quality, the sets of questions listed below may be used to characterize the agency that produces or should be producing the data. These agencies will typically include the national statistics institution, the ministry of finance, the ministry of planning, the central bank, line ministries, local governments, local agencies, development partners, and civil society. (For a more thorough analysis of the quality of data in a particular country, go to the sources described at the end of this diagnostic tool.)

Definition

- How are the data collection and computation activities of the agency determined?
- Are users and other experts and specialists consulted on issues, gaps, emerging needs, and priorities?
- Do the outcomes of these consultations influence the process of data collection and compilation and the work program?

Sources

- What are the main sources of the data? Administrative records? Budgets? Population censuses? Household surveys? Others?
- Who is responsible for collecting and compiling the data?

Relevance

- What is the frequency or periodicity of data collection on particular issues (monthly, quarterly, annually)?
- What is the length of time between the reference period and the distribution and use of the data? Is this lag too long, thereby limiting the uses of the data for decision making?
- What level of disaggregation is available (geographic, gender, socioeconomic status)?

Standards

- Do processes and procedures in data compilation adhere to professional and ethical standards?
- Is an agency, such as the national statistics institution, responsible for enforcing the standards? Does it effectively play this role?
- Is the data consistent internally and with other data sets? Are there processes in place to check the accuracy and reliability of the data?
- When discrepancies are found, are they investigated?

Coordination

- Are the data collection activities of the agency, its technical platform, its standards, and its definitions coordinated with the other activities of the PRS monitoring system? In particular, how is the PRS monitoring system linked to the monitoring units and other arrangements in line ministries? In local level agencies?
- Are there issues of incompatibility (differing definitions, systems, geographic coverage, and so on)?

Manpower

- Does the agency have a dedicated monitoring unit?
- What is the capacity of the agency or the agency's monitoring unit in terms of the number and qualifications of the staff? In terms of staff turnover?
- Are monitoring burdens excessive for the capacity of the agency or monitoring unit?

Resources

- What resources, including physical infrastructure, are available for the collection and compilation of monitoring data?
- To what extent is data gathering financed by external development partners? How sustainable and predictable are these funds?

Dissemination

- Are the data understandable and clearly presented?
- Are the processes and procedures for data compilation transparent?
- Are the data published or otherwise available to the public? In what forms are they available? How are they disseminated?

For public expenditure data

- Are systems in place to track poverty-related expenditures?
- How is the PRS monitoring system linked to the development of budgetary and public expenditure management systems?
- If accurate expenditure data are unavailable, are other techniques being used to monitor expenditure (such as public expenditure tracking surveys and public expenditure reviews)?

For regional government data

- What are the roles of central and subnational governments and agencies in monitoring decentralized services? What sorts of data are collected by each actor?
- How are the data aggregated and analyzed? Who performs these functions?
- Are there multiple systems for monitoring and reporting? Are these systems compatible?
- Are there incentives to distort the data?

Capacity for analysis

- Which agencies and units inside and outside government are responsible for analyzing monitoring information (ministry of finance, ministry of planning, local governments, local agencies, line ministries, the central bank, the national statistics institute, civil society, development partners, universities, research centers, and so on)?
- What is their capacity? How are these agencies and units funded? Are the government agencies and units effectively mandated and resourced? How reliable are the funding arrangements of the agencies and units?
- How is the work program of these agencies and units determined? Is there a mechanism to define activities in light of the needs of the end users?
- What is the quality of this work? Are the analysts considered objective? Is the quality of the analysis limited by data constraints? What is the level of the demand for the work of the analysts?

- Are the analysts able to communicate their analyses effectively to end users in an appropriately adapted format?
- What types of analyses (regular or one-off) have been effectively produced? Are these sufficient to fulfill the needs of system users? What are the gaps in analysis?

Capacity for evaluation

- What are the requirements and procedures for evaluating PRS programs? Are the data and information gathered through monitoring activities used to support evaluations?
- To what extent are evaluations and reviews undertaken or commissioned? What types of evaluations and reviews are carried out? Expenditure tracking surveys? Participatory monitoring and evaluation? Rapid reviews? Impact evaluations? Performance audits? How frequently are the evaluations and reviews performed? What is the quality of the output?
- Who are the main actors who undertake or commission the evaluations and reviews? Are these evaluations and reviews undertaken on the actor's or agency's own initiative? To what extent do government ministries undertake or commission evaluations and reviews of their own performance?
- Are evaluations and reviews that are commissioned by development partners the main source of this type of work in the country? Are any of these evaluations and reviews conducted jointly with the government? If so, what is the level of government input?
- Are evaluations and reviews commissioned by the government from civil society groups such as universities and interdisciplinary research groups? Does civil society provide policy advice to the government during these evaluations and reviews?
- Are the findings of evaluations reported? To whom are they reported? Parliament? Development partners? How are the findings reported or published?
- Do any particular actors or agencies follow good practices?

Outputs and dissemination

The questions below are linked to the set of questions in the section on the design of the PRS monitoring system and the institutional context. Those questions focus on the definition of outputs and the links between

the production of outputs and decision-making processes. The questions in this section focus only on the outputs themselves.

- Is there a catalog of outputs? Does it include all the data and analytical products? Is it widely available and updated regularly?
- Is there a calendar schedule of outputs? Is it advertised?
- Are outputs simultaneously released to all interested parties? Do all users have equal access?
- Are the sources, methods, and procedures related to the production of outputs published and available to all users?
- Are the products available in various formats for users who have different levels of familiarity with and literacy in the topics covered, different needs in terms of the depth of information, and so on?
- Is there a dissemination strategy? A communication strategy? Are selected actors in the monitoring system in charge of these activities?
- Do systems exist to maintain and disseminate information? Are they user-friendly?

Capacity building and funding

- Are specific budgetary resources allocated for PRS monitoring? For central activities (such as the secretariat)? For the various components (for example, line ministries, universities, and so on)? Are the resources sufficient, and is the funding predictable and sustainable?
- Is there financing for the sustained operation of data systems?
- Is there an overall capacity-building program or plan? Does it identify needs and gaps? Is it clearly prioritized? Is it costed and funded?
- Are development partners key funders? What are their funding trends? How sustainable and predictable is their funding? Are they supporting the overall system or only selected activities by certain actors? Is the government providing guidance to development partners on supporting capacity development?
- Are development partners funding technical assistance in the design and strengthening of the PRS monitoring system? Are skills being transferred to the country as a result of this assistance?
- Are substantive capacity-building efforts in monitoring, analysis, and evaluation currently under way in the country? Are they directly related

to the PRS monitoring system? Are they at the national, sectoral, or project levels?

- How sustainable are the capacity-building efforts and the ability to retain the capacity created over the medium to long term?
- Does the lead agency of the PRS monitoring system possess the required physical infrastructure to implement the system? If not, is there a plan and resources to acquire this infrastructure?
- What is the potential for in-country universities and other training organizations to provide training in data collection, monitoring, analysis, and evaluation to various actors in the PRS monitoring system?

Demand for and Use of PRS Monitoring System Information

Are the goals of the PRS monitoring system clearly defined? Are the needs of the stakeholders clearly understood? How are the outputs of the system used and incorporated within the government and beyond?

Poverty reduction strategy

- What types of data are needed for the PRS indicators?
- How would you assess the PRS in terms of its treatment of indicators?
 - a. relevant to the subject and PRS objectives
 - b. consistent with PRS policy priorities
 - c. sufficient as a basis for assessing performance
 - d. clearly defined
 - e. accessible at a reasonable cost
 - f. can be independently validated
 - g. time bound

Budget and planning

- Are agencies required to present monitoring information in support of their budget and medium-term expenditure framework submissions? Are there any incentives to encourage this? Are there incentives likely to distort the quality of the data?
- Does the ministry of finance or other agencies engage line ministries in dialogue on their policy choices based on performance information?

- If yes, what information is required when submitting budget proposals?
 - a. retrospective and prospective information on ministry spending
 - b. information on ministry outputs
 - c. information on sector outcomes and impacts
 - d. results of formal evaluations and reviews
- Is a separate body responsible for national planning? If so, what types of information does it require for submissions on sectoral inputs to national plans?
 - a. retrospective and prospective information on ministry spending
 - b. information on ministry outputs
 - c. information on sector outcomes and impacts
 - d. results of formal evaluations and reviews

Local government and agencies

- Is there evidence of a demand for monitoring and evaluation data among local governments and agencies? What forms of data are being requested or would be relevant to local agencies and governments?
- Does the PRS monitoring system provide feedback and information flows to local governments and service providers? What is the dissemination strategy?
- Is such information used at the local level (such as for an incentive system to improve the performance of service providers)?
- Are the timing and form of the outputs provided to local governments and agencies adapted to the needs of these entities?

Line ministries

- Do sector ministries use information as a basis for their own planning and management? Is there any specific evidence of the use of data to inform poverty-related policy at the sectoral level?
- Do line ministries have the capacity to produce such information? Do line ministries have strategies to disseminate monitoring information and outputs within their sectors? Are data quality and relevance an issue?
- Do line ministries rely on the PRS monitoring system? On information produced by other agencies? Are the timing and form of outputs produced by the monitoring system appropriate to the needs of the ministries?
- Do line ministries communicate their needs to system management?

Parliament

- Does the PRS monitoring system embrace a strategy for disseminating monitoring outputs on poverty to parliament? Does the system provide for parliament as one of the users? Are the timing and form of outputs appropriate to the needs of parliament?
- How does parliament use the information provided by the monitoring system, the finance ministry, or sector ministries? Use it in formal hearings among parliamentary committees? In other ways?
- Does parliament communicate its data needs informally or formally through legislation requiring particular information?
- Does parliament have the capacity to use monitoring information effectively?

Development partners

- What are the monitoring and reporting requirements of development partners?
- Are development partners using the PRS monitoring system for their own monitoring and reporting needs? What other mechanisms are they using (other project and program monitoring systems, internal systems, and so on)?
- Is the demand for monitoring and evaluation among development partners the main source of demand in the country? If yes, is this because existing national capacity cannot serve development partners and domestic clients at the same time or because there is little domestic demand?
- What is the impact of the demand by development partners on agencies that produce data and information?
- Have development partners coordinated their monitoring requirements?

Civil society

- Are strong pressures exerted by civil society—the media, nongovernmental organizations, universities, interdisciplinary research entities, and so on—on government for information about the performance of government in reducing poverty?
- Does the PRS monitoring system have a strategy for disseminating monitoring outputs to the general public? Are the timing and form of

the outputs appropriate to the needs of the various audiences among the public?

- Is monitoring and evaluation information published widely in the media?
- Does civil society communicate its data needs formally to the PRS monitoring system?

Additional Resources on Data and Statistical Systems

- The *Data-Quality Assessment Framework* (DOAF) proposes a procedure for assessing the dimensions of statistics programs and data-producing agencies with a view to strengthening capacity. This encompasses the quality of the statistical products and the effectiveness of the agencies. It represents a framework for assessing high-quality economic and social data. It helps determine the extent to which country statistics offices follow good practices and international standards. It reports on observations of procedures and practices with respect to good practice. See <http://www.imf.org/external/np/sta/dsbb/2001/supp.htm>.
- The *General Data Dissemination System* (GDDS) is a macroeconomic and social framework for statistical development and capacity building in developing countries. It documents current practices and sets priorities for improvements in statistical methods and data dissemination. It presents information on how statistical systems function, the principal agencies responsible for compiling and distributing data, the methods used to calculate indicators, and the rules governing public access and data integrity. See <http://dsbb.imf.org/Applications/web/gdds/gdds/home/>.
- The *Guide to Designing a National Strategy for the Development of Statistics* (NSDS) provides a country's national statistical system with a strategy for strengthening statistical capacity. The guide has been prepared primarily to assist developing countries in designing national statistics strategies, but is also helpful for development partners in supplying technical and other forms of assistance to countries in improving the quality and use of statistics to enhance management and achieve better development results. The guide is broad and sufficiently general to offer an introduction for a team designing a national strategy for the development of statistics and encountering some of the related concepts for the first time. The guide is underpinned by practical advice, case studies, and country experiences as disseminated in the knowledge base

on the national strategy for the development of statistics. See <http://www.paris21.org/pages/designing-nsds/NSDS-reference-paper/index.asp?tab=doc>.

- *Statistical Capacity-Building Indicators* (SCBI) provide an overview of a country's statistical capacity and needs and ways to facilitate capacity building. Statistical capacity-building indicators can help in identifying strengths and weaknesses, in planning toward specific goals, and in monitoring activities leading to these goals. They can also facilitate communication and coordination among the organizations involved in technical assistance by providing common measuring rods of a country's capacity needs in statistics. The indicators can help track development in statistics over time. This involves collecting information through 16 quantitative indicators that cover resources, inputs, and statistical products and 18 qualitative indicators that focus on relevant aspects of the institutional and organizational environment, core statistics processes, and statistics products. See <http://www.paris21.org/documents/1024.pdf>.