

## Guidance on the Institutional Dimension of PRS Monitoring Systems

This chapter is intended to assist policy makers and their advisers with the design and development of a system for monitoring the implementation of a poverty reduction strategy (PRS). It focuses on the institutional rather than the technical dimensions of PRS monitoring, that is, how to organize a coherent system for monitoring across the various sectors covered by the PRS and how to encourage the use of the information derived from monitoring in the development of PRS programs. The chapter extracts practical guidance and lessons from the 12 country studies summarized in Part III.

Given the complex dynamics of the political and institutional environment that surrounds the policy process in any system of government, this subject does not lend itself to purely technical solutions or the straightforward application of international best practice. A PRS monitoring system needs to attract willing participation from a wide range of stakeholders, as well as generate a demand for system outputs among policy makers. Experience suggests that the practical obstacles are substantial and that the solutions will vary widely in different contexts. This chapter provides possible strategies to address these issues.

### What Is a PRS Monitoring System?

A PRS monitoring system provides the information required to generate an overview of PRS implementation. A PRS monitoring system incorporates the periodic measurement and analysis of priority welfare indicators, as well

as the monitoring of outputs on PRS implementation. It therefore usually includes the following functions, each with somewhat different institutional leads:

1. *Poverty monitoring* tracks the overall progress in poverty reduction against national targets and international measures such as the Millennium Development Goals. This is usually accomplished through censuses, surveys, and other research tools.
2. *PRS implementation monitoring*: The system should support the monitoring and evaluation of PRS programs by tracking the most important inputs, activities, outputs, and outcomes across different sectors and priority thematic areas. It depends on administrative data systems in a wide range of agencies.
3. *Expenditure tracking*: Although conceptually part of implementation monitoring, the tracking of budgeting and expenditure is institutionally distinct and is usually achieved under the leadership of a ministry of finance. Reliable and timely data on expenditure are indispensable to an effective PRS monitoring system, but depend on parallel progress in budget and public expenditure management reforms.

A PRS monitoring system should deliver timely and reliable data and analysis to feed into the PRS policy process. To accomplish this, it must include a range of functions that are specifically institutional in nature, including coordination among data producers to establish a common set of indicators and eliminate gaps and redundancies; the development of common standards, procedures, and platforms; a strengthening of monitoring capacity across the government administration; the organization of information flows among stakeholders inside and outside government; the compilation and analysis of data from various sources; data analysis and PRS program evaluation; the generation of annual progress reports and other outputs; the provision of advice and support to policy makers; the dissemination of outputs across government and to the public; and the organization of the participation of civil society.

Conceptually, these elements all form part of the PRS monitoring system. However, it is important to recall that, at the outset, most of the actors involved will not recognize their activities as part of a national system. Whether they will participate vigorously in making the PRS monitoring system operational depends largely on their interests and incentives. The

rules, both formal and informal, that govern these incentives are therefore a key dimension of the PRS monitoring system. Examples of rules that influence monitoring incentives, particularly rules regarding the budget process, are discussed below.

## **The Supply Side: Designing and Implementing a PRS Monitoring System**

A PRS monitoring system does not begin with a blank slate. Most countries already have a range of monitoring mechanisms and information systems in place. Typically, these have emerged as a result of discrete donor interventions at different times and operate in isolation from each other even in cases in which they involve the same actors. A lack of strategic oversight causes a range of problems, including duplication and redundancies in data collection, excessive administrative burdens, neglect of areas that have not been a focus of past donor programs, data incompatibility, and inadequate information flows.

Whatever the limitations of the existing mechanisms, it is rarely appropriate to bypass them. Experience shows that adding new monitoring arrangements, even where technically superior, is unlikely to be helpful unless steps are taken to eliminate redundancies and minimize the overall burden of monitoring. The existing mechanisms are therefore the primary building blocks of the PRS monitoring system, and the agencies that “own” them have to be persuaded of the benefits of participating in the new system.

The key supply-side challenges of developing a PRS monitoring system are therefore the rationalization of existing monitoring activities according to the priorities set out in the PRS and the definition of the working relationships among the various actors in the system, including allocating responsibilities, developing modalities for cooperation, and mapping and organizing information flows.

Experience suggests that there are often strong disincentives to effective rationalization and coordination. Agencies tend to defend their autonomy in the monitoring sphere because this autonomy is typically associated with resources. In the face of these disincentives to cooperation, the principal risk (borne out by a number of the country case studies in Part III) is that the PRS monitoring system will remain merely a creation on paper and will not change the bureaucratic reality.

## Managing a successful design process

Buy-in by stakeholders is a key condition for a successful PRS monitoring system. Achieving buy-in may depend as much on the design process as on the final design of the system.

So far, not much attention has been paid to design processes. Most countries have produced a PRS monitoring strategy or a master plan, often two or three years after the first Poverty Reduction Strategy Paper (PRSP) and usually with the help of external consultants. There has generally been a limited survey of existing monitoring mechanisms and some degree of consultation, but formal stakeholder analysis and participatory design processes have been rare. As a result, new monitoring systems have a distinct tendency to run out of steam within a short time for want of active support from stakeholders.

To attract greater buy-in, the design process might include a map of existing monitoring arrangements that identifies the main stakeholders and analyzes strengths and weaknesses; a clear statement of political commitment to effective PRS monitoring; champions who are able to advocate the value of a shared monitoring system across the government administration; and a structure for consultation and facilitation to assist stakeholders in articulating their needs and expectations.

There is no single solution to the problem of territoriality within the bureaucracy and its tendency to impede the establishment of a unified monitoring system. There are two important strategies emerging in practice. One is to review existing donor funding of monitoring mechanisms at the program or sectoral level and involve donors in identifying and minimizing any financial disincentives to the creation of a unified system. The other is to ensure that the design of the PRS monitoring system emerges out of a mutual commitment to successful PRS implementation. Some countries have found that a rigorous and participatory process for selecting indicators has the effect of encouraging different agencies to review their strategies and their institutional structures with the aim of becoming more results oriented. This leads these agencies to recognize the value of a more systematic approach to monitoring, particularly in relation to cross-sectoral and thematic issues.

In most cases, the initial monitoring plan is quite open ended and contains a broad allocation of responsibilities and a conceptual mapping of information flows. Detailed modalities for cooperation then need to be worked out in practice. The design therefore usually provides for the

formation of interagency committees or working groups to elaborate additional details. The design of the PRS monitoring system may change substantially during this extended design phase, and it may be appropriate to delay codifying the system until the design has been finalized.

Most existing monitoring strategies or plans do not have any legal status. Some observers have called for greater use of regulatory frameworks to reinforce accountability and bolster compliance. Experience suggests that legal obligations alone are unlikely to make the system operate effectively in the absence of stakeholder buy-in, but may help to increase predictability once the system begins to function.

### Issues in institutional design

Among the PRS monitoring systems developed to date, most contain the following features:

1. A high-level *steering committee* to provide political support and oversight and supply a formal link to the cabinet. It may set monitoring priorities and approve annual progress reports.
2. A *coordination unit* responsible for coordination throughout the system. The unit may act as a secretariat for interagency committees and working groups, compile data, and draft reports. It is usually made up of a small number of dedicated staff within the office of the president or prime minister or in the ministry of finance or planning. It is usually linked to a broader PRS implementation structure.
3. One or more *interagency committees or working groups*, sometimes with sectoral or thematic mandates, that facilitate interagency cooperation and dialogue. They may be responsible for defining indicator sets and monitoring priorities, preparing sectoral reports, and advising policy makers. They often include representatives of civil society and donors.
4. The *national statistics institute* is usually a key actor in the system. As well as being an important data producer, it may be responsible for compiling administrative data from line ministries, setting overall standards, developing information technology platforms, and providing technical assistance to other producers.
5. *Line ministries* are usually required to nominate a point of liaison with the PRS monitoring system. This may be an individual officer (such as a director of planning) or a dedicated monitoring and evaluation or

statistical unit. It is responsible for ensuring the production and delivery of sectoral data.

While the basic elements tend to be similar across countries, the performance of the system is strongly influenced by the power relations and diverse capacities among the various institutional actors. The following factors should be taken into consideration in the design.

*Leadership:* Experience suggests that the choice of the institutional leadership for the system is critical. The leadership function should be located close to the center of government or the budget process, depending on where effective authority over the PRS process lies. Care should be taken to avoid entangling the PRS monitoring system in existing institutional rivalries. In some countries, the allocation of system leadership to the ministries of finance has helped to link the PRS monitoring system to the budget, increasing the profile and authority of the systems. When leadership resides within the planning agency, on the other hand, the systems may benefit from closer links to the planning process. In practice, the choice of the institutional leadership is often influenced by the location of those individuals who champion the systems, although tying institutional choices too closely to a single champion may leave the system vulnerable to political changes. The leadership role needs to be taken seriously within the nominated institution and to benefit from dedicated staff and resources. Committees that meet only once or twice a year do not provide effective leadership.

*Coordination:* Organizing effective coordination among different agencies is one of the most difficult challenges in the creation of a PRS monitoring system. Some observers are skeptical that simply bringing different actors around a table is sufficient to overcome the disincentives to real coordination. Interagency committees often produce superficially plausible solutions, such as ambitious new training programs, without addressing the real problems. Effective secretariat support is key in ensuring that meetings are focused and substantive. The secretariat should be both conversant with PRS priorities and skilled at mediating among the stakeholders by helping them to find common ground. The secretariat is usually a small unit located at the central level within the presidency or ministry of finance or within a national PRSP committee. It needs strong and stable staffing to function effectively. When designing interagency committees and working groups, one should recognize that good committee work requires a substantial commitment of time from the participants. Care should be

taken to avoid that the structure becomes too elaborate or burdensome. Donor alignment is another condition of effective coordination. If donors impose separate project-level monitoring and reporting requirements (and provide the resources to fund these), this creates strong disincentives to coordination. While the information needs of donors are not necessarily the same as those of governments, it should be possible to support both through the PRS monitoring system. Governments need to be proactive in encouraging donors to articulate their monitoring needs during the design of the system and to ensure that their systems and procedures are adapted to the PRS monitoring system.

*Liaison with line ministries:* This works best where the nominated liaison point is substantively engaged in monitoring and evaluation for sectoral policy making and management purposes. If the points of contact lack the authority to represent and make commitments on behalf of the line ministries or if they change regularly, this will weaken the system. In practice, a PRS monitoring system is dependent on the quality of sectoral information systems. The PRS monitoring system may need to incorporate strategies for encouraging monitoring and evaluation among line ministries, such as through rules requiring monitoring and evaluation functions to be incorporated in departmental budgets, work plans, and job descriptions. Where the monitoring capacity of line ministries is too weak to be reliable in producing the data needed by the system, a program of capacity strengthening should be designed.

*Links to the national statistical system:* Care should be taken to ensure complementarity between the PRS monitoring system and similar structures in or strategies for the statistical system. National statistics institutes are often given responsibility for setting quality and technical standards for administrative data producers and for providing technical support or capacity building. In practice, they have usually been slow in taking up this role. The problem may relate to funding modalities for national statistics institutes, which cause them to prioritize large surveys and statistical operations over participation in a PRS monitoring system. It may therefore be appropriate to discuss with donors the possibility of basket funding arrangements for national statistics institutes so as to avoid distorting the priorities of the institutes.

*Involvement of local governments:* PRS monitoring in an environment of decentralized service delivery poses complex problems, on which the experience to date provides relatively little guidance. The design of local monitoring arrangements necessarily depends on the structure of government

and particularly on the degree of fiscal and policy autonomy given to local governments. A few countries have tried to encourage local governments to develop their own monitoring arrangements, which may support the objective of decentralization to bring the development policy process closer to the communities it affects. Other countries have recognized that the process of decentralization might exacerbate regional inequalities and foster the local capture of services or development funds; these have followed the opposite strategy of strengthening the central government monitoring of local authorities. The relevant mechanisms include retaining central controls over local budgeting and expenditure and using surveys to check on local government performance on a sample basis.

While the literature is quite pessimistic about the prospects for effective local monitoring, a number of strategies have been proposed, including the careful selection of indicators for monitoring at the local level in order to minimize the administrative burden; the development of quality control mechanisms linked to targeted technical support and capacity-building programs; the use of secondary monitoring methods (such as public service satisfaction surveys) to triangulate local administrative data and identify biases in reporting; the provision of feedback to local governments and service-delivery units about monitoring results at a level of disaggregation that is meaningful to them; and the stimulation of information flows between local governments and their communities.

## **The Demand Side: How Are PRS Monitoring Data Used?**

Ideally, a PRS monitoring system supports a number of distinct objectives within the development process.

1. It supports government decision making on pro-poor policies and programs, including setting budget priorities and annual updates of the PRS.
2. It supports accounting for development expenditures.
3. It supports government accountability to the public for policy choices and their impact on poverty.
4. It promotes evidence-based dialogue between the government, civil society, and donors, thereby strengthening development partnerships.
5. It provides a means of institutionalizing direct civil society participation in the policy process beyond the phase of PRS formulation.
6. It feeds the monitoring, reporting, and accountability requirements of donors, particularly in connection with programmatic support.

To contribute to this ambitious set of goals, a PRS monitoring system needs to strengthen the demand side, in addition to the supply side, of the monitoring equation by promoting the use of monitoring information and analysis in policy making. Effective demand depends on many factors outside the scope of the PRS monitoring system and cannot easily be institutionalized. Politics is an untidy process, and evidence-based policy making—where policy choices are founded on a rational assessment of options—tends to be the exception in developed countries as much as in the developing world.

However, in any political system, there are points at which technical advice is sought and given and governments and public agencies are held to account for their performance. These represent entry points where monitoring information may be influential. They might include decisions on priorities in the budget, annual reviews of medium-term expenditure frameworks or public investment plans, periodic reviews and updating of the PRS, scrutiny of government policy by parliament and parliamentary committees, the setting of priorities for targeted programs or investment plans, the development of budget-support agreements and policy matrices with donors, and the development of multilateral and bilateral assistance strategies.

During the design of a PRS monitoring system, mapping these various entry points is useful. For some of these entry points (such as the budget process), a formal link could be created with the PRS monitoring system (for example, through rules governing budget submissions). The PRS monitoring system can support others indirectly by ensuring that monitoring information and analysis are readily available in the appropriate form and at the proper time. If policy capacity is strong and poverty reduction features high on the political agenda, the opportunities to formalize the use of monitoring information will be more numerous. Conversely, in more difficult political and institutional environments, the best strategy may be to propagate basic information in the public domain in order to strengthen popular demand for pro-poor policies.

### **Analysis and evaluation**

If they are to be influential in the policy process, monitoring data must be analyzed and used to evaluate the effectiveness of policies and programs. If these practices are still in their infancy, a monitoring system may introduce them in distinct phases: the collection of quality data followed by

capacity building for the analysis of the data and, finally, the institutionalization of the practice of using the data to evaluate specific policies and programs.

Analysis and evaluation have been a real deficit in PRS monitoring systems so far. In many cases, data collected through the PRS monitoring system are only edited into the annual progress report format. As a result, it is difficult for stakeholders to see any concrete benefits from the system.

Some countries have tried to institutionalize data analysis by establishing a central analytical unit located in the presidency, the ministry of finance or planning, or the national statistics institute. These analytical units have been most successful when they have remained small and close to government and have focused on analytical tasks exclusively. When the attempt has been made to expand the role of these units into either data collection or policy making, they have become competitive with other agencies and ceased to be effective. It is important to find funding modalities that help ensure that these units remain responsive to the needs of government and national stakeholders.

Joint analytical exercises by government and donors have also emerged as a useful tool for stimulating the capacity for and interest in analysis. Joint public expenditure reviews are particularly useful if financial information systems are weak, and such reviews are being conducted in a number of countries on an annual basis. If poverty and social impact analysis is introduced as a requirement for new programs, this encourages public service managers to consider analysis as a means of achieving their own objectives rather than as an external requirement. Similar dynamics can be seen within sectorwide approaches. Overall, donors should be taking every opportunity to encourage governments to defend their policy choices on the basis of evidence and analysis.

## **Outputs and dissemination**

Monitoring information and analysis must be compiled into outputs and distributed as widely as possible both within and outside government. A good monitoring system will produce a range of outputs appropriate for different audiences and purposes and include a strategy to disseminate the outputs actively to intended users.

This is not currently being done effectively. Most PRS monitoring systems are focused mainly, if not exclusively, on the production of annual progress reports. These reports are supposed to represent an opportunity

to review and update the PRS. In practice, however, they are often viewed as an external reporting requirement and not part of the national policy cycle. Annual progress reports are typically not distributed widely and are poorly suited to domestic audiences. In designing a PRS monitoring system, one should seek to ensure that annual progress reports serve the government's own needs and, if appropriate, introduce additional outputs to meet specific needs or fulfill specific steps in the policy cycle.

Making information available to civil society organizations (CSOs) and the media is also a key objective if the PRS monitoring system is to support public accountability. This has also been widely neglected. There are a few cases in which annual progress reports have been circulated in draft form for public comment or monitoring data and reports are published on official Web sites. However, there are very few examples of the production of monitoring reports in a style or format aimed specifically at the public. Presenting monitoring data in a form meaningful to domestic audiences is a new skill for governments, and it might be useful to involve civil society partners in such efforts.

Monitoring outputs that are designed for the general public need to focus on issues of relevance to local communities and enable these communities to assess the performance of their own local authorities. Disaggregated data that permit ready comparison among various jurisdictions can be a powerful tool. While citizens are unlikely to be motivated by small changes in national poverty statistics, they may care deeply whether their municipality is performing more effectively or less effectively than others.

### **Linking PRS monitoring to the budget**

Creating a link between the PRS monitoring system and the budget process is a powerful way of generating demand for monitoring. When agencies bid for public resources, this is an important opportunity to require them to justify their policies and plans based on evidence provided by monitoring data. However, this link has proved difficult to establish.

Many PRS countries are still at an early stage in budget and public expenditure management reforms and are not yet able to provide accurate and timely information on expenditure or relate expenditure to particular programs. Because of the slow and evolutionary nature of public expenditure management reforms, it may be many years before these countries are in a position to introduce performance-based budgeting as this is understood in developed countries. Nonetheless, it may be possible to introduce

a more general requirement that spending agencies justify their resource bids on the basis of PRS priorities and the evidence of past performance. This is most effective in countries with a successful medium-term expenditure framework, since PRS monitoring system outputs can be fed into annual updates. Opportunities may also arise during the preparation of annual public investment plans or annual budgets.

In a few countries (Tanzania and Uganda, for example), rules on budget submissions have provided a noticeable, if uneven, impetus to more results-oriented programming and planning. This approach has worked best where a structured dialogue has been instituted in connection with budget submissions. This requires a central body, whether within the ministry of finance or close to the cabinet, with the capacity and authority to challenge line ministries on the substance of their plans. Without this challenge function, compliance may be purely token.

In linking the PRS monitoring system to the budget, care needs to be taken to avoid perverse effects. Monitoring data are not always sufficiently accurate or suitable for setting annual expenditure priorities, and the attribution of the results to spending can be difficult when multiple interventions jointly influence results and outcomes and when some of these interventions are implemented outside the budget. If budget releases are unreliable, it is also difficult to hold public sector managers accountable for their performance. Finally, sanctions may be difficult to enforce since they might lead to cuts in funding for some programs simply because the responsible institution has performed poorly at monitoring, irrespective of the actual performance, impact, and importance of the program.

For all these reasons, the creation of a link between performance data and resource allocation that is too strict is unlikely to be feasible until budget and public expenditure management reforms are well advanced. However, this does not preclude building into the budget a more general challenge function based on performance monitoring.

### **The role of parliament**

Parliaments should be a key user of monitoring information. In practice, however, they have not been involved very heavily in PRS monitoring systems. This is partly explained by the low capacity of parliaments in many PRS countries. Without a strong committee system supported by analytical and research staff, these parliaments are generally unable to engage effectively with the executive on policy issues. This appears to be a missed

opportunity for increasing the impact of PRS monitoring and for building parliamentary capacity. Public committee hearings on PRS implementation, based on annual progress reports or other outputs, would help to raise the profile of a PRS monitoring system. This process could be enhanced if a role for parliamentary committees is institutionalized within the PRS monitoring system or if financial and technical support is provided to parliaments in this area. To assist in interpreting data, parliamentarians may draw on expertise within civil society, thereby helping to forge useful alliances and broaden the inputs into the policy process.

## Organizing Civil Society Participation

CSOs can play various roles in PRS monitoring systems both as producers and users of monitoring information. In many countries, the PRS has represented the first attempt at a participatory approach to policy making, and, according to many observers, the political space that has resulted has generated important benefits. A PRS monitoring system may therefore provide an opportunity to sustain participation over a longer period.

The extent and nature of civil society participation in a PRS monitoring system vary considerably. Where civil society is already highly mobilized around development issues (for example, in Latin America following the debt-relief campaigns of the past two decades), popular participation in development policy tends to be well institutionalized and sometimes legally mandated. Where there is little tradition of civil society involvement in the policy process, building up interest and capacity in such involvement must be a longer-term goal.

Among the countries that are the subject of the studies summarized in Part III, diverse forms of civil society participation are evident.

1. *Carrying out monitoring functions:* CSOs have a comparative advantage in certain types of monitoring, particularly qualitative techniques such as participatory poverty assessments, service-delivery satisfaction surveys, and citizen report cards. They can also make a useful contribution to budget analysis and public expenditure tracking. CSOs may be commissioned to carry out monitoring as part of a PRS monitoring system or they may prefer to undertake their own activities outside the system.
2. *Participation in the institutional structures of a PRS monitoring system:* Most PRS monitoring systems include representatives of civil society on

committees and working groups, thereby giving civil society an opportunity to contribute to debates on the priorities and results of monitoring. Note, however, that committees made up of organizations with very different interests, agendas, and knowledge do not always work together effectively. Active secretariats and good information flows are key. If participation becomes too onerous and does not appear to offer civil society a real input into the policy process, the interest of civil society participants is likely to taper off.

3. *Analysis and policy advice:* Some systems draw on independent research institutes, universities, or nongovernmental organizations to contribute analysis and policy advice. Flexible funding that allows research and advocacy organizations to retain their independence is therefore a useful contribution to PRS monitoring systems.
4. *Information flows:* Some CSOs have a comparative advantage in turning monitoring information into products suitable for a range of domestic audiences. In some countries, CSOs have prepared media and public education campaigns on PRSP implementation.
5. *Action-oriented monitoring:* In countries with low literacy levels, CSOs may prefer to couple monitoring with direct interventions. For example, CSOs may track the implementation of PRS programs at the local level in order to intervene with targeted capacity building or mediation efforts whenever the need arises. In difficult political environments, this may be less confrontational than producing reports critical of a government.

It is important to consult civil society actors on the role they wish to play in the PRS monitoring system. In some countries, CSOs prefer to remain outside the system for fear of co-optation and control by the government, particularly if participation requires accepting government funding. There may be good arguments in favor of the retention by civil society of a fully independent voice, and donor funding modalities should respect this choice.

Problems of representation and legitimacy—who really speaks for the poor?—are likely to arise if particular organizations or individuals are chosen to represent civil society. In some countries, civil society networks are well organized and thus facilitate representation. However, it may not always be appropriate to attempt to represent a single civil society voice within the monitoring arena. The design of the participatory process may

need to accommodate a diversity of voices. This issue should be discussed explicitly with civil society during the design phase.

## Concluding Observations

It may be useful to think of a PRS monitoring system as two concentric circles: an inner circle of activities that take place largely inside the public administration and that ensure the production of data on a set of priority PRS indicators and an outer circle of connections between the monitoring system and key points in the policy-making cycle and the democratic process.

Within the first circle, the actors must be persuaded to participate actively in the PRS monitoring system if this is to function effectively. In achieving this buy-in, the process of design and implementation may be as important as the final institutional structure. Data producers need to be convinced that the monitoring system is a solution to common problems and not a mere bureaucratic requirement. Once this is achieved, the system can be formalized and placed within a regulatory framework.

The second circle of activities may be thought of as an open network that connects data producers to other systems in the government and to the public. It works by creating links and improving information flows rather than through hierarchies or predetermined roles. The more links that are created, the more chance of stimulating evidence-based policy. The primary audience for monitoring information will be the elected officials and public sector managers who are directly responsible for the development and management of PRS programs. The PRS monitoring system must first of all meet the needs of these individuals for timely, accurate, and useful information and analysis. However, to reinforce demand, these officials should also be subject to a challenge function, that is, external actors should hold them accountable for their policy choices and their performance. The types of actors that are able to play this challenge function will vary in each country, but may include the cabinet, the ministry of finance, parliamentary committees, opposition parties, the media, CSOs, and donors. While these processes are much broader than the PRS monitoring system, the system can help support them by disseminating information and analysis on poverty and PRS implementation widely in the public sphere.

The experience of the 12 countries under study teaches us that, in elaborating and implementing a PRS monitoring system, one should build on

existing elements; recognize that change will be gradual; aim at starting a process of change rather than at designing a “perfect” system; focus on building flexible arrangements that can be adapted to change; define relationships, incentives, and activities clearly; identify entry points in decision-making processes, particularly in the budget process; and adapt the various outputs to the needs of the intended users.