

Diagnostic Tool: The Institutional Dimension of PRS Monitoring Systems



The World Bank

PREM Poverty Reduction Group

Central to implementing a successful Poverty Reduction Strategy (PRS) is a system for monitoring the execution of the strategy and for tracking process in poverty reduction. This note presents in schematic form the issues that should be considered in the design and implementation of a system for monitoring the execution of a PRS. The checklist is intended to generate country-specific information that maps out the current PRS monitoring system, as well as the demands, activities, and capabilities of key stakeholders. By addressing the issues in the checklist, a practitioner should be able to identify the opportunities, limitations, and options for building and strengthening a realistic PRS monitoring system. The checklist is a diagnostic tool that is structured around the following three themes:

Part I: Institutional context and design of the PRS monitoring system focuses on understanding the stakeholders involved in PRS monitoring, the way they interact, their interests and abilities to participate in the PRS monitoring system.

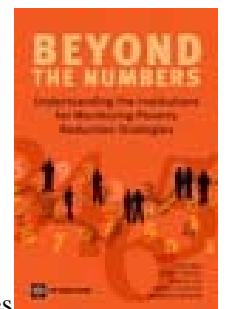
Part II: ability of the PRS monitoring system to supply information focuses on the activities, capabilities, and resources of actors on the supply side of the PRS monitoring system. The goal is to understand the capacity of the system to supply the data and analysis needed to monitor the PRS effectively.

Part III: demand for and use of PRS monitoring system information focuses on the information needs of stakeholders and on the processes and systems through which monitoring information is used. The aim is to understand the demand side, that is, the need, uses, and incentives for PRS monitoring outputs.

This tool is an extract from:

Beyond the Numbers: Understanding the Institutions for Monitoring Poverty Reduction Strategies

by Tara Bedi, Aline Coudouel, Marcus Cox, Markus Goldstein and Nigel Thornton
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Beyond the Numbers: Understanding the Institutions for Monitoring Poverty Reduction Strategies provides lessons on the design and functioning of PRS monitoring systems, based on the experience of twelve PRS countries. The focus of the publication is on the institutional arrangements of PRS monitoring systems - the rules and processes which bring the various actors and monitoring activities together in a coherent framework.

The publication includes a review of the experience in 12 PRS countries covering both the organization of monitoring activities and the use of monitoring information in the policy process, a diagnostic tool, guidance for policy makers, as well as summaries of 12 country studies (Albania, Bolivia, Guyana, Honduras, The Kyrgyz Republic, Malawi, Mali, Mauritania, Nicaragua, Niger, Tanzania, and Uganda).

This publication can be ordered from the World Bank bookstore at www.worldbank.org/reference (type “Beyond the numbers”). A free electronic version can be downloaded from: www.worldbank.org/povertymonitoring. French and Spanish versions of parts of the publication can also be downloaded at www.worldbank.org/povertymonitoring

Part I: Institutional context and Design of the PRS Monitoring System

These questions focus on the design of the existing PRS monitoring system and its institutional context.

1 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? Were these systems incorporated into the PRS monitoring system?
- Were existing and potential stakeholders of the PRS monitoring system process identified and analyzed?
- Were the various stakeholders, including institutions, consulted about their needs? How was this incorporated into the system?
- Did the design process include a diagnostic of data needs and existing data sources? How was this incorporated into the system?
- Was the design process participatory? If yes, in what ways?

2 Institutional leadership

- Is there a political commitment and support to the PRS monitoring system? 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?
- Is the locus of leadership conducive to providing incentives to participate in the PRS monitoring system?
- Does the lead agency effectively play its role?

3 Coordination

Coordination mechanisms

- Which mechanisms, such as committees or working groups, have been established to facilitate coordination among stakeholders? Is their composition stable?
- Are various stakeholders represented at an appropriate level to reflect and ensure commitment? Is the burden on participants excessive?
- 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?

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 relevant, are 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 system too elaborate for local governments' capacity?

Liaison with line ministries

- How do liaisons with line ministries and other agencies function? Does the system link with existing sectoral monitoring systems?
- Do line ministries take the liaison function seriously and participate actively in the PRS 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 actively participating in the working groups and committees of the PRS monitoring system? Which incentives support or hamper effective participation?
- Is civil society represented appropriately? How are representatives selected?
- Have civil society organizations been consulted about the roles they may wish to play? Can they fulfill these roles?

Liaison with development partners

- Are development partners providing incentives 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? Do multiple monitoring requirements of development partners contribute to a sense of territoriality and discourage coordination?
- Do development partners coordinate their demand for monitoring data? What is the resulting impact on the functioning of the PRS monitoring system and its actors?

4 Legislation and regulation

- Are the responsibilities of various actors clearly set out? What type of legal framework supports this? Has it been implemented?
- Is the lead agency of the PRS monitoring system explicitly charged with the dissemination of the system's outputs?
- Is there legislation regulating the access to and dissemination of data in the country? Does it provide incentives to disseminate information widely? Are data producers effectively required to provide information to other users within and outside government?

5 Outputs and links to policy-making processes

- Are potential policy uses driving the design of the outputs of the PRS monitoring system? Have the policy-making processes been mapped out? Have entry points for system outputs been identified? Have system activities been defined accordingly?

- Do mechanisms exist for consulting users on the relevance of outputs, emerging needs, and priorities? How do these consultations influence the functioning of the system?
- What are the institutional links between the PRS monitoring system and policy-making processes? Are outputs produced in time to affect particular events (such as budget preparations, parliamentary hearings, budget approvals, reporting)? Are there other channels through which the information produced by the system could influence policy?
- Is there evidence that outputs of the PRS monitoring system has been used for policy making? Is the information circulating beyond government and stimulating public debate?

6 National statistics

- Is there a functioning national statistical system which coordinates data producers and establishes standards? Is there a national statistics institution? A national statistical master plan?
- How integrated and consistent are the PRS monitoring system and the national statistical system? Are there overlaps, potential rivalries and conflicts?
- What roles does the national statistics institution play in the PRS monitoring system? A standard-setting, technical-assistance, or capacity-building role?

Part II: Ability of the PRS Monitoring System

This part focuses on the ability of the PRS monitoring system to supply the data and analysis needed by users and on the ability of the framework to provide adequate resources for the monitoring processes.

1 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?

For each type of data (including those that are missing or of low quality), the sets of questions listed below can help characterize the agency that produces or should be producing the data. (see also the resources listed on the last page).

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.

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?

2 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 analysts considered objective? Is the quality of the analysis limited by data constraints? What is the demand level for analysis work?
- Are analysts able to communicate the 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?

3 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?

4 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?

5 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?

Part III: Demand for and use of PRS Monitoring System Information

This section considers whether the goals of the PRS monitoring system are clearly defined, the needs of the stakeholders clearly understood, and how the system's outputs are used and incorporated within the government and beyond.

3.1 Poverty reduction strategy

- What types of data are needed for the PRS indicators?
- How would you assess the PRS in terms of its 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

3.2 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? Will these incentives distort data quality?
- Does the ministry of finance or other agencies engage line ministries in dialogue on their policy choices based on performance information? If yes, what types of information is required for 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

3.3 Local government and agencies

- Is there evidence of demand from local governments and agencies for monitoring and evaluation data? What data types are requested or would be relevant to them?
- 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?

3.4 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?

3.5 Parliament

- Does the PRS monitoring system have a strategy for disseminating its outputs to parliament? Does the system consider parliament as one of its users? Are the timing and form of outputs adapted to the needs of parliament?
- What uses does parliament have with 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?

3.6 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 program monitoring systems, internal systems, and so on)?
- Is the demand for monitoring and evaluation from 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?

3.7 Civil society

- Are pressures exerted by civil society (such as the media, nongovernmental organizations, universities, and research institutions) 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?

Resources on the PRS approach

The World Bank provides a range of resources available to support the PRS approach. Materials available include:

PRSP. The PRS webpage provides a variety of material and links, including to country documents, the PRS Sourcebook, policy papers and implementation reviews, staff guidelines, training material, and information on the PRS Trust Fund. See www.worldbank.org/prsp.

Poverty analysis. Poverty analysis is a key step in formulating a poverty reduction strategy. The website presents techniques for poverty measurement and analysis. See www.worldbank.org/povertyanalysis.

Poverty mapping. Local level poverty data is essential for resource allocation and policy design. The site provides information on poverty maps and their policy applications. See www.worldbank.org/povertymap

Poverty and Social Impact Analysis (PSIA). The analysis of the distributional impact of policy reforms on the well-being of different groups, particularly the poor, promotes evidence-based policy choices and fosters public debate. See www.worldbank.org/psia.

Poverty monitoring. Poverty monitoring involves tracking progress over time in achieving results in terms of reduction in poverty and is an essential component of any PRS. See www.worldbank.org/povertymonitoring.

Impact evaluation. Impact evaluations assess the changes in the well-being of individuals that can be attributed to a particular project, program or policy. The website provides resources to assess and improve the effectiveness of interventions. See www.worldbank.org/impacetevaluation.

PRS and the budget. The Public Spending for Poverty Reduction website provides information and good practices on the role of budget systems for PRS implementation. See www.worldbank.org/poverty-pubspending.

Pro-poor growth and inequality. The site offers an introduction on how growth and changes in inequality affect poverty reduction and tools to better analyze these links. See www.worldbank.org/propoorgrowth.

Employment and shared growth: Employment opportunities are key transmission channels between growth and poverty reduction. This website provides resources on employment-focused strategies for shared growth. See www.worldbank.org/employment

Migration and development: The importance of migration is increasing in the analytical and operational work of The World Bank Group. This website provides resources to support country teams in addressing specific migration and remittances topics. See www.worldbank.org/migration

Resources on Data and Statistical Systems

The *World Bank Data Group* provides national and international statistics and assists countries to improve their capacity to produce and use statistics. See www.worldbank.org/data

The *Data-Quality Assessment Framework (DQAF)* proposes a procedure to assess the dimensions of statistics programs and agencies to strengthen their capacity. See 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. See <http://dsbb.imf.org/Applications/web/gdds/gddshome/>.

The *Guide to Designing a National Strategy for the Development of Statistics (NSDS)* helps design strategies to strengthen statistical capacity. See <http://www.paris21.org/>.

Statistical Capacity-Building Indicators (SCBI) provide an overview of a country's statistical capacity and needs, and ways to facilitate capacity building. See <http://www.paris21.org/documents/1024.pdf>.

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