



Overseas Development Institute

# Good Practice in the Development of PRSP Indicators and Monitoring Systems

David Booth and Henry Lucas

**Working Paper 172**

Results of ODI research presented in preliminary  
form for discussion and critical comment

**Working Paper 172**

**Good Practice in the Development of PRSP Indicators  
and Monitoring Systems**

**David Booth  
Overseas Development Institute  
London**

**Henry Lucas  
Institute of Development Studies  
At University of Sussex**

July 2002

Overseas Development Institute  
111 Westminster Bridge Road  
London  
SE1 7JD  
UK

ISBN 0 85003 600 3

© Overseas Development Institute 2002

All rights reserved. Readers may quote from or reproduce this paper, but as copyright holder, ODI requests due acknowledgement.

# Contents

<b>Acronyms</b>	<b>iv</b>
<b>Executive Summary</b>	<b>v</b>
<b>Introduction</b>	<b>1</b>
<b>PART I: INITIAL REVIEW OF PRSP DOCUMENTS</b>	<b>3</b>
<b>1 Roles of Monitoring and Information in a PRSP Context</b>	<b>3</b>
1.1 Approach to the review	3
1.2 The current situation according to the documents	8
<b>2 Choosing Indicators: Rationale, Credibility and Realism</b>	<b>14</b>
2.1 Approach to the review	14
2.2 The current situation according to the documents	15
2.3 Conclusions from Part I and implications for further work	20
<b>PART II: RISING TO THE CHALLENGE OF PRSP MONITORING</b>	<b>22</b>
<b>3 What to Monitor and Why</b>	<b>22</b>
3.1 Introduction	22
3.2 What kinds of final outcomes/impacts?	22
3.3 What kinds of intermediate variable?	24
<b>4 How to Monitor: Getting a Supply of Valid and Reliable Information</b>	<b>29</b>
4.1 Introduction	29
4.2 Snags and new developments in final-outcome monitoring	29
4.3 Process monitoring: reforming and challenging administrative systems	32
4.4 Surveys and participation in input monitoring	37
<b>5 Monitoring For Whom, and For What?</b>	<b>39</b>
5.1 Introduction	39
5.2 Changing incentives and interim measures	39
5.3 Institutional designs: concentrate or disperse?	41
<b>References</b>	<b>42</b>
<b>Annex 1: PRSP Monitoring Systems According to the Documents</b>	<b>45</b>
<b>Annex 2: The PEAP, PAF Incentives and the ‘Missing Middle’</b>	<b>48</b>
<b>Annex 3: Input Tracking and Uganda Schools</b>	<b>50</b>
<b>Annex 4: Input Information Matrix for Mozambique</b>	<b>51</b>
<b>Annex 5: Some Perils of Income-Poverty Measurement: The Gambia</b>	<b>53</b>
<b>Annex 6: Geographical Information and Targeting in Vietnam</b>	<b>55</b>
<b>Annex 7: Payment by Results? Cambodia</b>	<b>56</b>
<b>Annex 8: The Value of Formal Systems: Chinese Village Doctors</b>	<b>58</b>
<b>Annex 9: Community Monitoring of Service Provision: Bolivia</b>	<b>59</b>
<b>Annex 10: Disseminate First, Monitor Later</b>	<b>60</b>
<b>Annex 11: Market Information Systems</b>	<b>61</b>
<b>Annex 12: Service Delivery Surveys</b>	<b>62</b>
<b>Annex 13: Participatory Impact Monitoring: a Proposal</b>	<b>63</b>

## Acronyms

AIDS	Acute Immune Deficiency Syndrome
ANC	ante-natal clinic
CSPIP	Civil Service Performance Improvement Programme (Ghana)
CWIQ	Core Welfare Indicators Questionnaire
DAC	Development Assistance Committee (of OECD)
DFID	Department for International Development (UK)
DHS	Demographic and Health Survey
EC	European Commission
EMIS	Education Management Information System
FEZ	Food Economy Zone
GIS	Geographical Information System
HDR	Human Development Report
HIPC	Highly-Indebted Poor Countries
IDA	International Development Association (World Bank)
IDS	Institute of Development Studies
IFI	international financial institution
IMF	International Monetary Fund
iPRSP	Interim Poverty Reduction Strategy Paper
JSA	Joint Staff Assessment
M&E	monitoring and evaluation
MFPED	Ministry of Finance, Planning and Economic Development (Uganda)
MIS	management information system
MSF	Médecins sans Frontières
MTEF	Medium-Term Expenditure Framework
NHPS	National Household Poverty Survey (The Gambia)
ODI	Overseas Development Institute
OED	Operations Evaluation Department (World Bank)
PAF	Poverty Action Fund (Uganda)
PEAP	Poverty Eradication Action Plan (Uganda)
PEWG	Poverty Eradication Working Group (Uganda)
PIM	participatory impact monitoring
PPA	participatory poverty assessment
PRGF	Poverty Reduction and Growth Facility (IMF)
PRSP	Poverty Reduction Strategy Paper
QUIM	qualitative impact monitoring
SCF	Save the Children Fund
SDA	Social Dimensions of Adjustment
SPA	Strategic Partnership with Africa
SPAM	School Performance Assessment Meeting
SWAp	Sector-Wide Approach programme
UPPAP	Uganda Participatory Poverty Assessment Process

## Executive Summary

This paper contains the key findings of a desk study commissioned by the Poverty Monitoring Task Team of the Strategic Partnership with Africa (SPA). The study was undertaken in two phases, the results of which are reported in the two Parts of the paper. Phase 1 was a critical review of PRSP documentation for sub-Saharan Africa, including four full PRSPs, 17 Interim PRSPs (iPRSPs) and 19 Joint Staff Assessments (JSAs). Phase 2 involved a wide-ranging search for experiences and examples that might be drawn on in improving the way PRSPs handle monitoring and indicators.

The study made two initial assumptions:

- PRSP monitoring calls for fresh thinking, not ‘business as usual’. It needs to be geared to what is new and challenging about the PRSP initiative – particularly the effort to engage a wider range of stakeholders in policy dialogue about poverty reduction at the national level. It also needs to be rooted in a realistic appreciation of the relevant policy processes and the possible uses of information in enforcing new kinds of accountability and learning about poverty reduction.
- The greater results-orientation that is a feature of the PRSP approach should not be taken to imply an exclusive interest in monitoring final results or impacts. On the contrary, it should mean giving appropriate attention to each of the following:
  - *final* poverty outcomes/impacts;
  - *intermediate* outputs, outcomes and implementation processes;
  - the delivery of the key *inputs* of poverty reduction strategies.

The initial documentary review found:

- PRSPs are leading to a major upsurge in final poverty-outcome measurement, with new rounds of household surveys and also, in many cases, plans for participatory poverty assessments. This is important, especially for diagnosing poverty problems and formulating long-term objectives.
- There is much less evidence of renewed interest in measuring the intermediate processes and achievements that will be necessary to produce the desired final outcomes. This is a serious deficiency, as rapid feedback on this level of change is what matters most for accountability and learning. PRSPs are to be reviewed annually, requiring attention to variables that move relatively quickly and provide evidence of real achievements. Donors striving to support PRSPs with general budget funding also need a sound basis for disbursing tranches year by year.
- A blind eye is being turned to the poor quality of the administrative reporting systems on which much of the relevant data depend. The documents also pay little attention to the possibility of using shortcut and alternative methods to compensate for the unreliability of routine information systems.
- Input monitoring is being relatively neglected as a component of PRSP monitoring.
- The documents are also saying little about how stakeholders will be incorporated into PRSP monitoring arrangements, and generally about how information will be used to improve policy and implementation.
- The approach to selection of indicators is at present not very purposeful. This reflects the weaknesses in the (i)PRSPs themselves, which typically have a ‘missing middle’ – they do not discuss why the proposed actions are likely to work better than comparable actions have done in the past, and what are the critical things that need to happen.

Phase 2 of the study, reported in Part II of the paper, was designed to be positive and forward-looking, searching out good ideas to help address the identified gaps and weaknesses. It covered:

- what to monitor and why;
- how to monitor (getting a supply of worthwhile information);
- monitoring for whom and for what (demand for information).

Particularly useful sources were:

- Uganda's Poverty Eradication Action Plan;
- monitoring and review arrangements in Sector-Wide Approaches (SWAs);
- instances of imaginative reversals of standard practice in some projects and sector management information systems.

Some of the key findings are:

### **On what to monitor**

- A multidimensional approach to final poverty outcomes is increasingly accepted but still poses significant challenges.
- Knowing which intermediate variables to monitor is not easy. Even Uganda's PEAP has not cracked the 'missing middle' problem. SWAp experience suggests the importance of covering all the main links in the desired causal chain. The key thing, however, is that the selection needs to involve *strategic* thinking. It should not be approached as a technical task, resolved by minor additions to existing poverty-monitoring or administrative reporting systems.
- There is good experience showing how tracking financial and non-financial inputs can lead to policy improvements that are important for poverty reduction.

### **On how to monitor**

- Despite its aura of technical superiority, survey-based analysis of poverty trends can get it badly wrong. Also, for poverty targeting purposes, survey data almost always need to be combined with census and/or PPA results.
- Improvements in routine information systems are possible, but they call for both realism (e.g. about the livelihood challenges facing low-level officials and service providers) and a very imaginative approach. Examples of practical ways of changing incentives and/or empowering service users can, nonetheless, be discovered in project and sector experience.
- It is, however, unwise to rely entirely on reforming routine systems. Service-delivery surveys, problem-oriented commissioned studies and participatory impact monitoring (PIM) have proven useful complements to administrative data. They should have a major place in PRSP monitoring arrangements.
- Financial tracking surveys have had a major impact in at least one country. They could be usefully combined with the participatory approaches to public expenditure management outlined in the PRSP Sourcebook.

### **On monitoring for what**

- It is useful to distinguish between long-term institutional solutions to the lack of demand for poverty-related information, which depend on budget reforms that tie money to plans and performance, and worthwhile interim measures.
- Among the interim solutions, it is worth paying attention to transitional incentives such as are created by Uganda's Poverty Action Fund; the new opportunities created by the spread of FM radio stations; and PRSP-inspired relationships between new advocacy groups and parliaments.

- A key question is whether these opportunities will be best exploited within institutional arrangements for PRSP monitoring that tend to disperse responsibilities (the Tanzania model perhaps), or tend to concentrate them (the Uganda model perhaps). The likely answer will be that the successful arrangements will be those that are well-supported politically and also permit swift executive action when necessary.

The study identifies four points for further investigation:

- The feasibility of scaling-up the cited sector and project experiences in improving routine reporting within the more challenging PRSP context. For example, could community-based monitoring of health-related events be extended throughout a national system?
- Whether financial tracking and service-delivery surveys are being sufficiently promoted and supported within PRSPs. These kinds of special surveys are being sponsored by the World Bank in selected countries. What about other PRSP countries?
- How best to facilitate mainstreaming and lesson-learning about participatory impact monitoring for PRSPs. For example, are PPAs designs oriented to final outcomes/impacts also suitable for this rather different task, or should a fresh start be made?
- The comparative performance of alternative institutional models of PRSP monitoring in engaging stakeholders and contributing to better plans. What are the relative merits of the 'Uganda' and 'Tanzania' models?





## Introduction

This paper is based on a Desk Study of Good Practice in the Development of PRSP Indicators and Monitoring Systems commissioned by DFID for the Strategic Partnership with Africa (SPA) in 2001. The first phase of the study defined an approach to the monitoring of PRSPs and undertook a preliminary analysis of the content of current PRSP documentation (Interim PRSPs, PRSPs and Joint Staff Assessments). A number of gaps, issues and challenges were identified. The second phase adopted a more forward-looking perspective and a more upbeat mood. Its purpose was to make some practical suggestions, based on actual experiences of a relevant sort, about how to meet some of the biggest challenges facing those concerned with PRSP monitoring.

The interrogation of the documents was structured in definite ways. It was directed by the terms of reference of the study and influenced by the available guidance material, thinking and debate on PRSPs and their monitoring, as interpreted and assessed by the authors. That included the guidance and training materials available on the World Bank website and other Internet sources, papers presented at international workshops and meetings, and more general experience with indicators and information systems in developing countries. The authors made a deliberate and explicit effort to look for particular features in the documents and look out for particular gaps and weaknesses.

Part I of the paper reports the results on the initial documentary survey. It focuses first on the institutional and procedural questions about monitoring *systems*. We examine the degree to which the documents contain relevant thinking or specific initiatives in some eight areas of monitoring activity that seem important to a PRSP process in the actual policy contexts of sub-Saharan Africa. The choice *indicators*, and the technical and institutional issues this raises, are discussed next, so that they are framed by a realistic appreciation of what the functions and structure of the monitoring arrangements are likely to be.

The approach taken to the review of monitoring systems has a rationale, derived from:

- some generally accepted notions about what distinguishes the PRSP concept from previous approaches to development cooperation and concessional lending;
- how expectations need to be moderated by the actual realities of policy processes, in general and in sub-Saharan Africa in particular; and
- the different functions that a monitoring system can be expected to fulfil in this context.

The approach taken to the choice of indicators starts from a reflection on what might be considered a ‘good’ indicator for PRSP monitoring, given what is known about the actual condition of, and feasible improvements in, information systems in countries of the region. Some preliminary discussion is devoted also to:

- the need to define clearly the purpose for which an indicator is to be used;
- why attention should not be overwhelmingly focused on measuring outcomes and impacts; and
- taking data quality seriously in choosing indicators.

In deciding on a structure for Part II, we took two things in particular from the earlier discussion. One is a view of the essential *questions* that have to be tackled in putting together a set of workable monitoring arrangements for a PRSP (we try to avoid the word ‘system’). These seem to be three:

- what to monitor (and why);
- how to obtain relevant, worthwhile information;
- who may be expected to use it, and for what purpose.

Cutting-across a number of these questions are the different *levels* of monitoring identified above:

- final outcomes/impacts;
- intermediate outputs and outcomes;
- inputs.

The three sections that make up Part II of the paper are devoted to ways of tackling the three essential questions. Within Sections 3 and 4, sub-sections are devoted to examples of good practice in respect of each of the levels of monitoring.

A wide range of sources was consulted in the preparation of the paper, only a fraction of which was both relevant and useful. In two respects, we have relied more than expected on examples and materials that are close to home. First, we have been drawn more to examples with which we have had some direct contact, or which are familiar to us through the work of colleagues at our own institutions, finding these more interesting as well as more credible than those simply described in documents.<sup>1</sup> Second, the most compelling instances of good practice seem to be found not in the long-established fields of development project management or public planning in industrialised societies, but closer to hand – among PRSP pioneers such as Uganda, or mainstream sector reforms and development programmes within poor countries of Africa and Asia.

A relatively limited span of experience is drawn on, therefore. Yet the lessons and examples of positive practice to be found from these sources are of sufficient interest to be worth bringing together.

---

<sup>1</sup> We are particularly grateful to Mick Foster of ODI for several insights and leads.

# PART I: INITIAL REVIEW OF PRSP DOCUMENTS

## 1 Roles of Monitoring and Information in a PRSP Context

### 1.1 Approach to the review

The PRSP initiative has a distinct and in some respects quite unprecedented rationale. The approach taken to monitoring and information issues needs to be correspondingly innovative. A major danger that needs to be averted is that the discussion of indicators and monitoring for PRSPs will be overly influenced by the professional routines and habits of thought associated with previous traditions of development planning and financing, with insufficient thought to the particularity of the task in hand.

To be sure, there is potentially much to be learned from the established fields of project planning and, particularly, sector programming. But the point of departure needs to be a clear understanding of the change of gear that the PRSP initiative is meant to facilitate, and the real obstacles and possibilities this opens up. We should start from what a PRSP is meant to be, not from the accumulated wisdom of the Monitoring and Evaluation profession, or indeed from the more recent field of poverty monitoring.

#### *The PRSP challenge: not business as usual*

Realism is needed in stating what is new in PRSPs and how much difference it makes to the constraints and possibilities facing actors in poor, highly-indebted and aid-dependent countries. In some respects, the changes are strictly limited. For example, no one should be under the illusion that the coming of PRSPs implies the end of old-style conditionality and performance benchmarks. It would be a mistake even to assume that it guarantees a reduction in the number and complexity of such conditions.

But the role of PRSP processes in the Enhanced HIPC decision and completion procedures, and in the broader panorama of IDA and IMF activities, does bring something new into the incentive structure facing policy makers in countries of the region. It implies a leavening of traditional conditionalities with a new form focused on in-country *processes*.

Process conditionality is, in its turn, a means of opening up discussion among stakeholders within developing countries about ways and means of addressing poverty reduction goals that are:

- more ‘owned’ by the country – that is, more rooted in national processes of policy dialogue and accountability;
- more comprehensive, both sector-wise and in their effort to coordinate the full range of available national and international resources; and
- more performance based or outcome oriented in the way they allocate resources.

The essential premise is that poverty-reduction policies and policy processes that combine all three of these features have a better chance of succeeding than those pursued in recent decades. This premise is supported negatively by evidence that programmes that are not nationally owned do not work; that building externally-funded anti-poverty programmes in parallel with government systems is ineffective; and that goals are unlikely to be met so long as resource allocation is based on providing inputs to implementing organisations without regard to their performance.

### *A realistic view of the policy process*

The positive case for the PRSP approach, and therefore the framework for thinking about PRSP monitoring, needs to be mature and realistic about the way the different elements in the scenario fit together. Attention has to be paid to the substantial literature on the nature of the policy process (policy formulation + policy implementation), including the parts that apply to virtually all countries and the parts that deal specifically with Africa.<sup>2</sup> Taking into account what is known from these bodies of research and analysis, it is important not to slip into a naïve vision of the conditions under which the changes promoted by the PRSP initiative are likely to occur.

Specifically, a realistic view of the policy process does not allow the assumption that formal commitment to a set of objectives on the part of senior government officials implies an ability, or even necessarily a willingness, to deliver all of the consequent actions by all of the relevant actors. On the contrary, commitments made on behalf of government are frequently not even binding on all parts of government, even at the policy-making level, and typically implementation issues are not seriously considered when policy commitments are being entered into. It follows that ‘implementation’ is far from being a merely technical operation of carrying out decisions; it is typically more realistic to view the implementation process as where the most important decisions are made.

More concretely:

- commitments are to be believed only when they are carried through at least to basic decisions about resource allocation, starting with the national budget;
- more important than initial earmarking is whether resources reach their intended destination and whether they are used effectively in terms of stated objectives;
- policy design typically ignores why similar initiatives have failed in the past, and one of the principal ways in which policy processes improve is by developing at least a limited capacity for learning from experience;
- information feedback from the ‘implementation’ process is a critical ingredient in this respect; however, information is not a neutral commodity but a highly ‘political’ one: implementers do not necessarily have an interest in providing accurate information, and it makes a difference *who* receives any information generated, whether they receive it in time, and what they are likely to do with it;
- incentives to use information for policy improvement are stronger where programmes have a learning-process design than when they reflect a ‘blueprint’ approach.

It is important to note that these things are to a greater or lesser extent true of *all* policy processes. The particular difficulties facing pro-poor policy in Africa are different in degree rather than in kind, although the very strong incentives to largely instrumental behaviour imparted by the aid relationship generally, and the Enhanced HIPC framework in particular, is certainly an additional constraint of some significance.

### *Monitoring and evaluation is about politics, not technics*

Most of the conceptual vocabulary of the monitoring and evaluation field reflects what is known in the literature as a rationalistic model of the policy process, not the realistic one just described. This does not mean that M&E is not relevant in the real world of policy. But it does mean that the emphasis on different aspects of its role needs to be different from the traditional one. Among other things, it gives grounds for paying special attention to the parts of the literature that work with a more realistic perspective, such as that concerned with ‘process monitoring’ (Mosse et al., 1998).

---

<sup>2</sup> As reflected, for example, in Hill (1993) and Turner and Hulme (1997) respectively.

Some parts of the guidance material provided by the IFIs on PRSP monitoring respond better than other parts to this need to be realistic about the possible roles of M&E. There is a tendency in much of the material to treat PRSP monitoring as a technical activity, not as a fundamentally political one with technical dimensions. This is reflected in the tendency to focus on indicators, rather than more broadly on relevant information.

To its credit, the master thinking from the IFIs has consistently emphasised ‘mechanisms for broad-based monitoring of intermediate proxy indicators ... to ensure that action programs and resource management processes are not only well designed but also effectively implemented’ (IMF/IDA, 1999: Box 6). ‘Broad based’ refers here to the participation of a range of stakeholders, which is important because of the way it contributes to transparency and the sustained implementation of an anti-poverty strategy.

The M&E chapter of the Bank’s PRSP Sourcebook, too, argues that ‘strong country demand at all levels’ is a precondition for developing a national monitoring and evaluation system, and looks for the creation of such demand in a participatory PRSP design process (Prennushi et al., 2000). This recognises that what is at issue is building a new politics or political economy of information.

On the other hand, both the Sourcebook itself and some of the training material that is now being undertaken on PRSP M&E may be giving a somewhat different impression. In an effort to be clear and straightforward, while also encouraging rational thinking and action, it is easy to give succour to the rationalistic picture of the policy process. Some of the training materials do a good job of explaining how one might best proceed in an ideal world. But their emphasis is questionable as an approach to the real world.

### *PRSP monitoring for the real world*

The following account of the functions of a monitoring system appropriate to a PRSP is based on the three distinctive ingredients of the PRSP concept, itemised in the square bullet points on page 3 above, bearing strongly in mind the characteristics of the typical policy process. It takes seriously the ways in which the three elements – outcome orientation, comprehensiveness and country ownership through widened participation – depend on each other for their effectiveness. It assumes that an overall rationality of means and ends is a desirable end, but not that the real world is close to operating in this way. This affects the weighting given to the different elements necessary to constitute a monitoring ‘system’.

The premise of the framework we used to interrogate the PRSP documentation is that a more outcome-oriented approach to policy implies a more systematic and rigorous handling of *all* of the steps needed to reach the goal, and that all of these steps need to be monitored. Contrary to the impression that is sometimes given, an outcome-oriented approach to monitoring does not imply a particular focus on final-outcome or poverty monitoring.<sup>3</sup>

Improved poverty outcome data are important for several purposes, including the sort of basic analysis of the causes of poverty that is essential to good policy design (or is so to the extent that policy is evidence-based). In the latter connection, it matters whether steps are being taken to guarantee that the data produced will be put to some genuine use. This issue – what might be called ‘poverty monitoring’ as opposed to ‘PRSP monitoring’ – has a certain importance. But in most countries the focus for both learning and accountability needs to be on notorious problems of a much more ‘upstream’ sort. While it is commendable to address gaps in the basic poverty data, the

---

<sup>3</sup> See text box on terminology.

belief that this is the main or a peculiarly important prerequisite for policy (design + implementation) improvement under current conditions is mistaken.

### **A Note on Terminology**

The language conventions in the field we are discussing are a mess. As a result, there are some substantial man-traps waiting to catch the unwary. Early drafts of this paper did not entirely succeed in avoiding them, and we are not certain that there are not more round the corner. The main issue we are aware of is that different meanings are given in different contexts to the word 'outcome', and thus also 'impact'.

The DAC and the M&E profession typically work with the convention that, in the field of poverty-reduction policy, outcomes are 'specific results and the utilisation of means/services by beneficiaries'. Movements in measures of poverty are referred to as impacts. However, in the broader social-science fields concerned with poverty-reduction strategies and poverty information it has been conventional to speak of the final goal of policy as to influence poverty outcomes, or outcomes for the poor. There is also an understandable tendency to associate the word 'impact' with the activity of evaluation, implying that an impact is not just a final result but one that can be attributed to a specific intervention.

We have tried to avoid being misunderstood by qualifying everything. This results in unpleasantly unwieldy expressions and the frequent use of slash marks. However, it seems preferable to ambiguity or getting diverted into conceptual disputes. Thus, we distinguish between intermediate outcomes, which we see as closely linked to intermediate outputs, and final outcomes or poverty outcomes. In deference to the DAC convention (even though it risks confusing others), we often write 'final outcomes/impacts'.

Policy is likely to improve, and/or become more outcome oriented, only if new incentives come into play. That will happen only to the extent that accountability of public servants to each other and to other stakeholders is enhanced. Accountability can be strengthened by greater production of and access to relevant and timely information. But information will work in this way only if it is demanded and capable of being used by stakeholders with some clout, so that those responsible for policy are held to account in a new way.

Information on the final outcomes or impacts of policy rarely has practical implications of this sort, a) because it typically arrives too late and with too many difficulties of attribution to reflect directly on current policy; and b) because new policy is not typically evidence-based anyway. Paradoxically, this means information on upstream issues of performance may be more powerful in influencing policy processes to become more oriented towards outcomes, than final-outcome monitoring can hope to be.

This is one key issue in deciding what the scope and balance of a PRSP monitoring system should be. Another concerns the rather widespread problem that reliable data on intermediate output and outcome issues are very hard to come by in most countries, even on an untimely basis. This raises as a central question what kind of relevant feedback of other sorts already exist, or could be instituted, to help to fulfil either the accountability or the learning functions of PRSP monitoring.

## *Accountability and donors*

The above assumes that the principal role of PRSP monitoring is learning by and accountability to domestic stakeholders. This is sound but it needs some supplementary comment regarding donor requirements.

Experience suggests that even well-funded and well-organised donors have limited influence on issues of structural change compared with the more powerful domestic stakeholders. On the other hand, donors can do quite a lot to undermine the influence of national stakeholders on central policy processes, notably by building parallel structures and funding official bodies to undertake activities off-budget. The importance of the ‘comprehensiveness’ dimension of the PRSP concept – of including *all* resources under the umbrella of the PRSP – arises from this fact.

The role of a PRSP monitoring system in providing for accountability to donors is not unimportant against this background, because nothing discourages donors more from pooling their funds in sector programmes or general budget support than the perception that accountability requirements will not be satisfied. On the other hand, the best bet for enhanced accountability for pooled funding is undoubtedly one that also serves enhanced responsiveness to domestic stakeholders within formal and informal structures of accountability.

## *Five areas of interest to PRSP monitoring*

With these arguments in the background, we interrogated the current PRSP documentation about five main areas of activity, and a total of eight sub-headings, that are potentially significant to good practice in PRSP monitoring. These are:

- Input monitoring, which, in an outcome-oriented framework, implies two types of progressive change:
  - a reform of the budget process that reorients allocations in terms of programmes, or plans to achieve specified public goals, within a medium-term fiscal framework that reconciles overall policy priorities with the requirements of macro-economic balance (unless this first step has been taken, the other elements of an outcome-oriented monitoring make little sense);
  - specific studies to track what happens to budget allocations, beginning with actual releases (their scale and timeliness) and ending with the delivery of funds to their ultimate destinations (e.g. primary schools in rural areas); or to estimate the benefit-incidence of particular lines of expenditure on different population categories.
- Timely monitoring of implementation processes and intermediate outputs and outcomes, which might be expected to draw on some combination of:
  - efforts to improve the completeness and reliability of relevant administrative reporting systems and data, including sectoral Management Information Systems and the local government/village government information interface;
  - efforts to overcome the insuperable difficulties this typically poses in the short and medium term, while also injecting a more dynamic element into PRSP implementation by using well-established shortcut methods for detecting and raising the profile of key implementation bottlenecks, such as participatory beneficiary assessments and facilitated brainstormings by staff and officials.
- Measurement and assessment of poverty outcomes or impacts, which might be expected to entail both of:



- the carrying out of a suitable mix of household-consumption, human-development (e.g. DHS) and lightweight welfare surveys at appropriate intervals, as well as a population census, with due attention to normal standards of rigour and comparability;
  - the collection of participatory and other qualitative or contextual information with which to validate, enrich and interrogate the survey results, and enhance their impact on policy makers and other stakeholders.
- Measures to make relevant information available to the group of stakeholders that has participated in the PRSP design process, to enhance their ability to use information for policy dialogue and otherwise to engage them in an ongoing process of mutual learning and accountability.
  - Steps to enhance the use of information, particularly but not exclusively of the final outcome sort, for analytical purposes, including basic diagnostic studies and policy-design work, and both prospective impact analyses and retrospective impact evaluation.

## 1.2 The current situation according to the documents

A strong initial impression that was confirmed by the review of PRSPs, iPRSPs and JSAs, is that thinking and practice are at quite an early stage on many of the issues just outlined. For this reason, the review was largely concerned with a set of rather elementary questions about each area of potential activity: was anything said on the subject? were actual steps being taken to initiate activity? did this make good sense? what other good ideas were suggested that might be worthy of emulation or further investigation? These questions were applied to the documents as a group, distinctions being made as appropriate. The details are presented in Annex 1 and discussed in the remainder of this section.

### *Input monitoring and budget reform*

The case for including outcome-oriented budget reforms and public expenditure tracking within a discussion of PRSP monitoring is not completely obvious. Nevertheless, in the available guidance material and training, input monitoring, usually with reference to indicators of expenditure on particular items such as primary education, is acknowledged as an important step. But input monitoring can be more or less crude. It is not generally recognised that the usefulness of this type of measure depends on the way budget line items are defined, and thus on the nature of the prevailing budget system. The degree to which actual releases are determined by initial allocations, and how far funds reach their destinations within the sector in question, are other critical questions.

This is recognised in a certain proportion of the documents, although it tends to be more prominent in JSAs than in the country-produced papers. In all four full PRSPs reviewed, the status of a budget reform process intended to introduce a greater degree of programme budgeting is raised as an issue. But progress in this respect is quite different across the four cases.

A key step in outcome-oriented budget reform, the establishment of a Medium Term Expenditure Framework (MTEF) has been taken in Uganda and Tanzania with some progress towards the preparation of budgets on a programme basis in line ministries and local government. While the Ugandan authorities see this as providing the framework for their Poverty Eradication Action Plan-cum-PRSP, Tanzania makes little of this and other improvements in public expenditure management systems in presenting its PRSP – a point picked up by the JSA.

In Burkina Faso, significant headway has been made in linking funding to performance in the context of the conditionality reform exercise being piloted in the country, and the proposal to

introduce an MTEF-based reform of the budget process has been discussed in this context. In Mauritania, the introduction of programme budgeting was scheduled to start in 2002. The JSA for Mauritania suggests that the country has some way to go before the gap between the budget and the bulk of project expenditure on poverty begins to close.

Something is said about MTEFs or budget reform, either as an actuality (Benin, Ghana, Guinea, Kenya, Malawi, Mali, Rwanda and Senegal) or as a desideratum (The Gambia, Niger and Zambia) in most iPRSPs. JSAs frequently emphasise the impossibility of setting overall priorities and assessing trade-offs in poverty-reduction strategy in the absence of the realistic expenditure ceilings provided by an MTEF. While not strictly a monitoring issue, this is a basic sense in which the reform of public expenditure management is a *sine qua non* for further thinking about monitoring.

### *Public expenditure tracking*

Without a budget reform and the technical improvements in public expenditure accounting that are often introduced simultaneously, it is not usually practical to take the step of comparing budget allocations systematically with releases according to sectoral and sub-sectoral priorities. There is little discussion of this issue in the documents, although Uganda has relevant experience.

Public expenditure tracking studies have, however, been undertaken in a number of countries, usually in the context of joint Public Expenditure Reviews. Uganda reports that such exercises are now a routine part of PEAP monitoring, and that some key physical inputs are also to be tracked to their final destination. The tracking exercises undertaken in the framework of Tanzania's rolling PER/MTEF process is another issue not highlighted in the PRSP and treated as relevant only in the JSA.

Other countries are evidently at very different stages in this respect. Some specifically declare an intention to undertake tracking studies (Guinea, Rwanda). Others have not completed the more basic step of systematically reviewing public expenditure in priority sectors, and many report nothing on the subject.

A final word is necessary on the case of Kenya. The Kenyan iPRSP includes what many would regard as a summary of the ideal poverty monitoring system. It locates the national poverty reduction effort squarely within high-level arrangements for monitoring and tracking prioritised public expenditures, with a stakeholder committee meeting monthly and transmitting its concerns through a committee of Permanent Secretaries to cabinet.

In the way it integrates financial and implementation issues and guarantees a hearing for stakeholder assessments of monitoring data at the highest policy level, the Kenyan proposal provides a model of what might be done in all countries. However, for few countries is such arrangement within reach at this stage. And its implementability in Kenya must at least be open to doubt.

To sum up on input monitoring, this seems to be recognised widely enough as a necessary component of an effective PRSP monitoring system, though more by the IFI staffs than by those drafting country plans. On the other hand, countries are at different levels in terms of their ability to provide the necessary elements, and this too is reflected in the variety of the initiatives described.

### *Implementation monitoring with administrative data*

A key dimension of performance monitoring is the monitoring of intermediate outputs and outcomes, and other, more process-based, aspects of policy implementation. The current set of PRSP documents cannot be accused of neglecting this aspect of monitoring if the criterion is the volume of indicators identified for the purpose. However, this would clearly not be an appropriate criterion.

As we show in Section 2, the indicators identified are both numerous and rather unselective on a number of counts, among them the problem of obtaining reliable data on them at reasonable cost. The question that concerns us at this point is the degree to which the plans for monitoring described in the text of the PRSPs and iPRSPs and commented on in the JSAs include steps for bringing administrative data and/or sectoral management information systems closer to the required quality standards. We go on to ask whether the plans visualise alternative means of acquiring quick feedback for learning or accountability purposes from implementers or other stakeholders, including the nominal beneficiaries of pro-poor policies.

Overall, these concerns are very striking by their absence – particularly in comparison to the fulsome attention provided to final poverty outcome/impact measurement (below). As our preliminary argument suggested, we think this is a rather serious problem that needs to be addressed by the international community as well as within countries.

The iPRSP and PRSP documents almost invariably include a commitment to make arrangements for monitoring plan implementation using official statistics. Occasionally, data deficiencies are mentioned as a problem and the institutional and technical arrangements for coordinating data from different sources are fairly frequently discussed. But the possibility that there might be fundamental obstacles to using routine data to monitor progress on account of severe problems of unreliability is not acknowledged at all.

It is particularly surprising, perhaps, that this is not picked up in the JSAs. While JSAs and the contributions to in-country discussions by donors (e.g. in Ethiopia) do concern themselves with reducing the number and increasing the specificity of targets and indicators, there appears to be little concern about data quality in this connection. This is a gap that might be worth addressing in revising the Guidelines for JSAs on full PRSPs, which in their current form seem to direct the lion's share of attention to monitoring poverty-reduction outcomes.

### *Alternative feedback mechanisms*

It is not surprising, therefore, that the coverage of 'other' forms of feedback on implementation is also slight. There are two reasons for paying attention to the possibilities of what in Annex 1 we call quick and dirty methods, such as participatory beneficiary assessments, implementer self-assessments using focus-group methods, 'exit polls' and light-weight service-delivery surveys. One is that they provide an indispensable rough check on information reported, slowly and unreliably, through official channels. The other is that they can provide a more dynamic type of input into the political process of the PRSP, a means of highlighting problems while there is still time to act on them and mobilise public interest and pressure at the same time.

There are hints of such possibilities in some PRSPs/iPRSPs. In general, they are not fleshed out sufficiently to justify confidence that they will be pursued (in the absence of strong donor pressure and offers of funding). But it would be interesting to investigate further the regular stakeholder opinion polls (Burkina Faso) and the participatory monitoring arrangements (Tanzania, The Gambia) mooted in a number of countries.

It is striking that where service-quality enquiries and self-assessments have been used to set benchmarks for public service reforms predating the PRSP, these are not necessarily considered relevant by the drafters. In Senegal's iPRSP, a mechanism of this sort is mentioned; the equivalent arrangements in Ghana under CSPIP do not figure in iPRSP Ghana's monitoring proposals. These mention the CWIQ surveys, which cover service use and user satisfaction, but otherwise concentrate on measuring poverty outcome trends.

Let us sum up on implementation monitoring. Judging by the documents insufficient attention is being given, by any reasonable criterion, to improving the monitoring of implementation processes, as opposed to producing lists of indicators relevant to this level. Evidence is generally lacking that this is being dealt with seriously, either by addressing the big problems of data quality, or by exploring alternative means of generating feedback on policy implementation.

### *Measurement of final poverty outcomes/impacts*

The big story under this heading is that the PRSP initiative will, if it does nothing else, produce a dramatic improvement in the quality and general availability of survey-based household-consumption data. Many new surveys are currently under way. This will not overcome all of the problems of data shortage and comparability that have prevented serious analysis of poverty trends, and even in some cases the construction of national poverty profiles, in recent years. But the coverage is set to experience the same sort of qualitative leap that was caused by the wave of support to Social Dimensions of Adjustment a decade ago.

Of course, the problems of sustainability that eventually affected the SDA round of surveys will also affect this one. This is, however, anticipated in some of the discussion in the documents, with several countries experimenting with light surveys for more frequent use, allowing a sensible spacing of large surveys (and censuses). The other problem of whether the new surveys are to any degree responding to a national demand, and can be expected to feed into new arrangements for analysing the data for policy purposes, is discussed further on.

The strengths and limitations of household survey data for understanding national poverty profiles are a great deal more widely appreciated than they were a decade ago. This is reflected in a good many of the country plans, with firm declarations to the effect that non-income dimensions of poverty need to be looked at and that participatory poverty assessments will therefore need to be undertaken.

Details are generally lacking at this point. But the use of PPAs – including the notion that they can be coordinated with household surveys in ways that benefit both – is more of an 'established' idea than the use of quick-and-dirty methods for implementation monitoring. Arguably, the latter is where the value added of participatory methods lies in countries that have already had several PPAs.

Zambia is one country that has a strong tradition of qualitative/participatory work for both beneficiary assessment and poverty assessment, with formal arrangements for linking PPA results to the survey. This was not picked up in any of the documentation reviewed for Zambia. But it may reflect the relatively early stage of Zambia's PRSP process at the time of our research.

To sum up, household survey work for poverty measurement is one clear growth area within the panorama of PRSP monitoring. This is both good and important. A major concern, however, is that this not be allowed to represent a sufficient response. While the inclusion of non-survey enquiries will tend to help, an exclusive focus on outcome assessment in the continuum of monitoring tasks would be a mistake for participatory work too.

### *Increased access to information by stakeholders*

Information is power. PRSPs are explicitly intended to empower a range of actors, within and outside government, to engage in constructive debate about why poverty reduction has proven so difficult in a given country, and what can be done about this. It is at least arguable that this is the main thing that monitoring systems for PRSPs should be designed to do: to provide relevant information to the places where it will have this sort of effect.

This is not an easy thing to achieve. Even taking the first steps must be regarded as a big challenge. Governments throughout the world are secretive, and even in highly institutionalised democracies the incumbent authorities share information with their political rivals only when they are compelled to do so by law or convention. In all countries, non-governmental actors often lack the necessary expertise to make intelligent use of official statistics. In the sub-Saharan African countries we are concerned with, political and civil society is at present poorly equipped to assume the role assigned it in the PRSP concept.

It is outside the scope of this review to assess the quality of the participatory or consultative processes that have been organised for the PRSP exercise. We are limited to the question whether the arrangements for monitoring the PRSP visualise a continuing role for the stakeholders mobilised for the design process, and whether their information needs are catered for in any way.

The brief references on this subject in the documents are difficult to evaluate without independent knowledge of the country situation, which we have for some but not all of the sample. However, it seems that there is potential for substantial improvement in this area.

The details of Uganda's PEAP process, which entails an ongoing dialogue across political and civil society on poverty-reduction priorities, are quite well known. This example probably represents the apex of current African achievement in this area, at least as regards the openness of the process and the willingness of the government to make relevant information available and reasonably accessible. That said, the arrangements are much better for final outcome information (whose content is generally encouraging) than for intermediate performance indicators. Many of the details of the monitoring arrangements in Uganda remain to be hammered out, as the JSA notes.

The Ugandan model depends on the centralisation of the analysis and dissemination of poverty-related information in a unit within the Ministry of Finance, whose leadership has been strongly committed to openness and not averse to the use of official information for advocacy purposes. In other countries, the institutional framework may be less favourable, as it is in a few that we know. Nevertheless, the documents contain some declarations of support for ongoing monitoring by stakeholders, and this is one area in which JSAs are consistently supportive.

A worry in several cases, is that the stakeholder monitoring committees that are proposed sound like bilateral forums for government and donors. Although this no doubt reflects in part the weakness of representative national bodies in those countries, this is an issue that needs to be watched, as increasing bilateral dialogue is obviously not the point of the PRSP initiative.

In sum, the theme of stakeholder access is weakly developed in the documents until now. It will be an issue that deserves more and better attention as more countries move into the full PRSP stage, and others begin to undertake their first annual reviews.

### *Use of information for policy improvement*

Understandably, the focus of most of the documents at this point is on improving the availability of raw data, in order to take quite elementary decisions about priorities and targeting for poverty reduction. However, discussion needs to begin on the further analytical uses to which good survey data might be put. The point can be quite rapidly reached where the national statistical bureaux feel that their outputs are being severely under-utilised. The question then arises of which institutions in the country actually have an incentive to use the available data for purposes that serve policy improvement.

This is raised as an issue in the Uganda PRSP. Existing survey data would, it is claimed, support specific studies that could improve the targeting and effectiveness of the programmes of a number of line ministries. While approving in its general messages, the JSA adds that the links between the costings, the outputs and the expected outcomes of many of the existing sector programmes need much closer attention than they have received so far. However, under prevailing conditions (an incomplete transition to performance budgets for line ministries, and an incomplete results-based public service reform) line ministries do not have strong incentives to commission the analytical work that is both possible and necessary.

Incentives for data use are, of course, a long-standing lacuna in arrangements for poverty monitoring in Africa. The documents suggest that this remains a big problem, and one that is not widely recognised within PRSP countries – even those that have reached the full PRSP stage. A few specific initiatives are mentioned that are of some interest, and JSAs are often good at spelling out the sort of analytical work that would help the formulation of policy objectives. However, this is a field that PRSP monitoring discussion needs to dwell on much more than it has so far.

### *In summary*

This review of the documentation as it relates to monitoring systems suggests a number of areas of promise and some not unexpected but quite serious areas of neglect. Across the region, input monitoring is heading in the right direction, but unevenly. Monitoring of implementation processes and intermediate outputs and outcomes has a long way to go. Well-known data problems are apparently not being addressed, either directly or by means of creative thinking about shortcut options that might be more appropriate and effective in the PRSP context. Poverty outcome/impact monitoring is making big advances on the data collection side. This reflects both a justified renewal of interest and donor funding, and also, perhaps, a conception of what PRSP monitoring should ideally consist of that is unduly skewed towards final results.

Plans for making information available to PRSP stakeholders on an ongoing basis are, relatively speaking, poorly developed. This is understandable, but needs to be addressed, because it is the key to what is believed to make PRSPs different from previous efforts to link external funding to poverty reduction. The analytical use of poverty-related data is also still a weak area. This needs to change, although realistically it cannot be expected to change very much until current reforms affecting institutional incentives in the public sector get closer to completion.

## 2 Choosing Indicators: Rationale, Credibility and Realism

### 2.1 Approach to the review

#### *PRSP indicators: what are they for?*

We start, here, with an obvious but fundamental point. Even for the purposes of a descriptive stock-taking such as this, it is important not to detach the question of the choice of indicators from the aims and content of the planning exercise of which they are a part. In even a preliminary assessment of a country's approach to indicator choice, the *purpose* of each of the proposed indicators needs to be a primary consideration. The quality of the indicators can only be assessed in terms of the role(s) they are expected to play.

What indicators are supposed to track is progress towards certain objectives, which presupposes both that the objectives are clear and that the intermediate steps necessary to achieve them have been identified. Initial experience with PRSPs and iPRSPs tends to confirm what is expected in this regard. That is to say, the setting of objectives is easy enough. What is more of a challenge is identifying credible intermediate steps – given that similar objectives have proven difficult to achieve in the past.

Like many donor country strategies, most PRSPs so far (Uganda is a partial exception) have a 'missing middle'. They do not spell out how the identified activities can be expected to result in the achievement of the identified goal – and, in particular, why they should be expected to do better than in the past.

We are not surprised to find this because we do not assume a rationalistic model of the policy process. To the extent that improvements are possible in this regard, they will arise from the social and political dynamics of the PRSP process in the medium term. They cannot be expected to spring fully-armed from the heads of PRSP drafting teams, least of all when these are operating under the extremely constrained conditions of HIPC completion.

We suspect that the 'missing middle' problem explains quite a lot about current approaches to PRSP monitoring. It is one of the reasons for the concentration of attention on final outcome/impact measurement.<sup>4</sup>

All of this leads us to expect that, in the current PRSP documentation, there will be a certain purposelessness where indicator selection is concerned. If the strategy for reducing poverty is weak at the 'action plan' level, the rational basis for selecting indicators will also be limited. The choices will reflect other considerations (which targets can we meet, for certain, before or soon after HIPC completion, and what are the corresponding indicators?) or none at all.

#### *What is a 'good' indicator?*

Our interrogation of the documents begins, therefore, with the purpose of the selected indicators. What else should it consider? In the terms of the Monitoring and Evaluation chapter of the World Bank PRSP Sourcebook, a 'good indicator':

- is a direct and unambiguous measure of progress – more (or less) is better;

---

<sup>4</sup> Another is that, broadly speaking, we know how to do that (all it takes is money), whereas, as discussed further below, implementation monitoring remains extremely difficult by conventional means

- measures factors that reflect the objectives;
- varies across areas, groups, over time, and is sensitive to changes in policies, programmes, institutions;
- is not easily blown off course by unrelated developments and cannot be easily manipulated to show achievement where none exists;
- can be tracked (better if already available), is available frequently, and is not too costly to track (Prennushi et al., 2000: Box 2).

This is sound as far as it goes. While few would disagree that the above qualities are all desirable, reflection on the *reliability* of the indicators which are ‘available frequently’ in most of the countries considered in this review, suggests that this aspect of quality may be of primary importance.

It is clearly not useful to track over time variations in indicators whose margin of error is greater than the expected changes. There may well be a need to trade off reliability against other qualities and adopt ‘second-best’ indicators in many instances.

### *Alternative data sources: reliability and cost*

The Sourcebook also promotes the need for disaggregated indicators, in terms of location, gender, income level, and social group, without which ‘it is hard to design good policies and programmes’. Such disaggregation is typically also essential for effective project and programme management. This requirement, coupled with those for timeliness and affordability, would seem to imply a need to focus on indicators that can be derived from administrative sources. While surveys can often in principle provide ‘better’ indicators in terms of the qualities listed above, the frequent generation of reliable estimates, at the level of disaggregation proposed, would make excessive demands on limited national statistical resources.

This, however, raises again the question of the quality of available administrative data. Routine data sources in most countries suffer from well-known limitations, often in spite of many attempts at improvement. This implies the need for expectations to be limited, and second-best options to be explored. For example, while such basic indicators as service utilisation, access and cost are not ideal, they may provide a reasonable basis for predicting beneficial final outcomes and be either usable at present or at least susceptible to improvement in the short run and at minimal resource cost.

The use of such indicators would, however, often be unsatisfactory in the absence of supporting information on the quality of services available. Knowledge of satisfactory performance on both types of indicator – for example, high levels of utilisation of *good quality* reproductive health services at low cost – would be a sound basis for expectations that programme objectives in this area would be met. Absence of any one of these indicators might give cause for concern. Regular, though not necessarily comprehensive or frequent, quality assessments, using qualitative and participatory approaches, could play an important role in delivering this contextual information. As a minimum, reliable audit indicators that allowed assessment of the adequacy of supervisory activities could provide some degree of quality assurance.

## **2.2 The current situation according to the documents**

A full record of the monitoring indicators identified in the current set of PRSPs and iPRSPs for sub-Saharan Africa is given in Annex 2. A detailed commentary is provided there for the full PRSPs,



reflecting the concerns just outlined. The following sections provide an overview of the main findings and issues in respect to indicator choice.

### *Rationale for indicator selection*

The review confirms the expectation that the selection of indicators lacks a clear rationale, in iPRSPs and even full PRSPs. In particular, the sense that they have been chosen as means of monitoring critical steps towards an overall strategic objective is lacking. The authors of many of the plans have listed a wide range of traditional indicators in a fairly indiscriminating way. Selection seems to have operated on the basis of relevance to the various projects and programmes which have been included within the PRSP framework. As a result, it is often difficult to see how the indicators could be effectively used to consider broader strategic issues.

In many instances, the indicators cover economic growth, macro-economic stabilisation, human resource development and other general measures of development performance, alongside indicators specifically related to poverty reduction. Without denying the importance of macro stability and growth for sustained poverty reduction, one might question whether such general indicators are the best to select. Of course, the discussion about indicators needs to be driven by a discussion about strategy, not vice-versa. But surely there would be a strong case, in many of the countries covered, for the growth rate in the agricultural sector, and price movements and interest rates that particularly affect poor people, to be substituted for the broader measures.

We are conscious of the finding of the EC study for the SPA (2000) that PRSP targets and HIPC completion point conditions do not coincide closely. Nevertheless, it seems likely that some targets and indicators in the current sample of documents have been selected primarily because they figure as conditionalities for HIPC completion or a PRGF. It could be that, in this sense, the selection is less arbitrary than it appears.

In our view, however, such indicators should be clearly identified and distinguished from those that spring directly from the national strategy process. Indeed, for every indicator it should be standard practice to specify explicitly the intended primary uses and users. Such an approach would facilitate the categorisation of indicators by purpose and in particular allow the designation of a limited number of 'core indicators' to monitor overall PRSP performance.

The Conditionality Reform Test Exercise described in the Burkina Faso PRSP is clearly of considerable interest in this regard. In this case the various donors have formally stated their interest in a small core set of performance indicators and have agreed to limit their attention to that set. The degree to which this process involves wider stakeholders in a national dialogue remains an important issue.

### *The basis for distinguishing inputs, outputs, outcomes and impacts*

The meaning of the standard distinctions between inputs, outputs, outcomes and impacts emerges from the documentary review as being somewhat problematic in a PRSP context. Donor agency discussions on input, output, outcome and impact indicators are often based on simple project examples, which make the distinctions appear obvious. However, indicators can only be so classified in relation to a particular objectives and goals. In the PRSP lists of indicators, there is obvious confusion as to whether each should be classified as related to a specific component project or programme, or in terms of the strategy as a whole.

Many countries rightly include in their plans activities, such as reforms in local government or the legal system, which are important in creating an enabling environment for poverty reduction. They

also include measures that work quite directly on dimensions of poverty, such as primary education programmes and nutrition projects. How should the notional Logical Framework of the PRSP integrate the Logical Frameworks of these very different component activities?

In Burkina Faso, for example, satisfaction with reforms in government tendering procedures is seen as an important outcome indicator of the reform programme. Should it be given the same status as satisfaction with health or education services, within the PRSP?

### *The quality problem in administrative data*

Many of the indicators proposed in the PRSPs and iPRSPs derive from routine administrative/facility returns or management information systems. Given that such sources are generally agreed to be often at best highly unreliable and at worst unusable, the documents often appear to be highly optimistic as to the possibilities for measuring short-term indicator movements from such data. Although not entirely unexpected, this must be regarded as a major problem arising from our initial review.

The problem is particularly serious where regional disaggregation is required. As a general rule, administrative data quality depends on the quality of administrators, and both tend to be correlated with per capita incomes. The poorest areas typically have the least reliable data.

This is of obvious concern in terms of indicators derived from health information systems, which are also subject to the pressures associated with the provision of highly marketable goods and services. Rural health workers (given that their government salaries are sometimes barely sufficient to purchase basic food and clothing) have been forced to become very adept at providing information that satisfies higher levels of administration while not limiting their alternative income generating activities.

It should be noted that variations in the quality of data, particularly administrative data, between regions may also influence national estimates, as these are often based on partial coverage. Poorer regions not only tend to provide less reliable data; they often fail to provide data on time. As national estimates are sometimes based on 'grossing up' the information available when estimates are required, biases which tend to underestimate poverty indicators may be introduced.

### *The denominator problem*

Many of the selected indicators relating to education, health and more general access to services, require overall or age-specific population estimates, sometimes at regional level. These will reflect the well known 'denominator problem' of indicator construction – the fact that the base populations are not known.

The influence of changing populations' structures, particularly via migration, may need to be considered in the interpretation of trends over time. The influence of such changes on enrolment, access and utilisation measures can be substantial. Poor regions may be particularly affected by both push and pull migration factors.

The use of population estimates also raises issues of data availability. Population estimates in years removed from that in which the census is taken will be derived from demographic models, often based on parameters estimated from DHS data. This is reasonably reliable at the national level but is not intended for sub-national estimation and provides little evidence on internal migration. It may also be necessary to consider that adjustment of existing demographic models to allow for the

unprecedented impact of the AIDS pandemic is a relatively new, and to some extent uncertain, methodological exercise.

### *Community involvement in indicator choice?*

The need for participatory approaches to the design of the PRSPs has been the subject of lengthy discussion. However, it is very difficult to identify any evidence of community involvement in the list of proposed indicators. In general they follow standard guidelines, not only in the areas of economic growth and stabilisation, but in education, health and other areas of social policy.

The inclusion of a number of 'client satisfaction' indicators appears to be the only diversion from this norm, and even in this case there is a tendency to suggest a simplistic 'opinion poll' approach, which may not be the most useful way of tapping the views of beneficiaries and stakeholder. One important role for community involvement that is under-explored in the documents is that of identifying factors relating to the failure (or potential failure) of projects and programmes to deliver intended benefits.

### *Data improvement versus data on improvement*

Almost all of the PRSPs and iPRSPs stress the need to build statistical capacity and increase the quality of information available. This is clearly an appropriate objective. It should be noted, however, that it poses a practical problem that PRSP monitoring will need to take into account.

It is often difficult in practice to distinguish between improving measurement procedures and real trends in economic and social variables. For example, a more systematic approach to determining all sources of income or non-market consumption may result in artificial increases in related indicators. Improved disease surveillance systems usually lead to higher reported prevalence rates.

This should not be seen in any sense as a justification for maintenance of the status quo. But it does imply that those developing or using indicators should be aware of the possibility that apparently dramatic increases or decreases in trend or comparative information may in some instances be partly a consequence of improved data quality. It is simply one more example of the need for careful and considered interpretation.

### *Targeting information needs to particular groups?*

For many countries, indicators relevant to specific target groups have been included in the PRSP list. Apart from those relating to broad regional groupings and obvious disaggregations in terms of rural/urban and male/female, indicators have been proposed for groups such as 'shanty town dwellers', those living in arid or drought-prone areas, prisoners, the disabled and victims of conflict situations.

Such indicators are usually clearly linked to projects or programmes that are seen as part of the overall PRSP framework. A similar situation arises where countries propose the use of yield and price indicators relating to individual crops on the basis that these may be by far the most important determinants of the nutrition and standard of living of specific target groups.

This raises interesting questions about the structuring of indicators within the PRSP. For example, would it be useful to classify indicators by target group rather than by project or programme area, bringing together all those economic, health, education, etc. indicators relevant to that group?

### *Some more reasons not to focus on poverty outcomes/impacts*

Finally, let us return to a major theme of this paper, the dangers of an excessive focus on the final outcome/impact level. As has been argued, such an emphasis may downgrade the essential role of input and intermediate output and outcome indicators in implementation management and basic PRSP learning processes. It may also be less necessary than is imagined from the point of view of impact evaluation and the more sophisticated learning tasks.

Opportunities are arising for making more use of indicators relating to outputs that are generally accepted as causally linked to beneficial outcomes/impacts. For example, it is typically very difficult and expensive to demonstrate the impact or even outcome of a given health project or programme.

Even in the simplest case of immunisation, because both morbidity and ‘cause of death’ statistics are so difficult to obtain, it is usually impossible to infer in a particular instance that expenditure of \$X on measles vaccination led to a decline of Y% in under five morbidity or mortality. However, it is often perfectly reasonable to rely on past evidence of such a causal link. Effective use of donor and government resources (measured in terms of output indicators), on activities which are mutually agreed (on the basis of previous experience) to be causally linked to increased welfare of the poor, would seem to be a rational basis on which to assess performance.

The Theory-Based Evaluation approach (Weiss, 1998) which has been used in recent exercises by the World Bank OED suggests an interesting way forward in the PRSP context. This requires the specification of a chain of theoretical ‘cause and effect’ linkages that allows the likelihood of beneficial outcomes and impacts and sustainability to be assessed.

Final outcome/impact indicators would still have a very important strategic role to play. They could be seen as either as confirmatory – good performance on a range of activities indeed having the intended impact – or as warning signals. In the latter case, they would indicate either that the assumed causal links were not operating as expected or that previously unconsidered external factors needed to be taken into consideration. The key quality of such indicators would be their ability to reliably determine trends over time and differences between localities and groups.

### *In summary*

Once again, we have raised issues in discussing our approach to the document review, and the review has suggested some further topics of concern. Overall, indicator selection in the documents looks to be less closely linked to ideas about strategy than it should be, though this principally reflects weaknesses in the strategies. It also seems to be naïve in a number of respects. The iPRSP/PRSP documents appear to make extremely rash assumptions about data quality. It has also been suggested that this issue deserves more attention than it has had in some of the guidance material on indicator selection.

As suggested in Section 1, the scope for second-best options for implementation monitoring, including participatory beneficiary assessments, seems to be under-explored. While, as noted earlier, there are some examples of client consultations of the opinion-poll sort, the potential for involving communities in the selection of critical factors that affect programme success and failure is not yet recognised in any of the documents. There may also be possibilities that are worth exploring for using more indicators that relate to specific target populations, rather than whole countries.

An excessive emphasis on improving final outcome/impact data was noted in Section 1. Here we have suggested that this may stem partly from a mistaken assessment of the scope for impact evaluation. Even with good data, evaluation is expensive and difficult, and in some respects improving data quality can make evaluation more difficult. But short-cut evaluation techniques now being developed deserve further consideration.

### **2.3 Conclusions from Part I and implications for further work**

This Part has ‘interrogated’ the current set of PRSP documents from a particular angle. It could be said to have taken a robustly realist approach on two accounts. First, the criteria applied to describing and assessing the content of the documents in respect of monitoring systems reflect not just established M&E principles, but a vision of the policy process that is more realistic and less rationalistic than the norm in this field. Second, our discussion of indicators and data sources is equally stringent in not ignoring what is generally known about the real condition of African countries’ information systems. In our view, anything less than this would do poor service to the cause of more effective anti-poverty action in the region.

What the review concludes is that the thinking reflected in the documents on the topic of monitoring is very patchy. It needs to be allowed, of course, that most of the documents are only Interim PRSPs and that (to continue being realistic) they currently have a strongly instrumental purpose – to permit access to HIPC2 relief and IDA/IMF lending. This adequately explains most of the unevenness. However, our purpose is not to criticise, but to identify topics on which action, or different actions, might be taken, or further enquiries would be justified.

It seems clear that all concerned are currently turning a blind eye to the problem of the quality of administrative data. This matters in the sense that it is the intermediate output/outcome level (in addition to input monitoring and tracking) that is likely to be the most fruitful for generating information that is capable of changing behaviour and ways of doing things. The current enthusiasm for household surveys, and for monitoring final outcomes/impacts, is in many ways justified. But it will be a pity if it provides an alibi for not tackling the, in many ways more fundamental, issue of quick feedback on implementation processes. JSAs might be expected to pay more attention to this issue than they do. The Guidelines on JSAs should be less ambiguous on the subject.

Two important questions arise: how can the improvement of administrative reporting and MIS be best addressed, given the limited achievements of numerous previous attempts; and how should this activity be balanced against the development of other monitoring procedures? There are various alternatives to the MIS approach, some of them already fairly well institutionalised within some of the better public service reform programmes, others reflecting a decade of work by participation specialists at the Bank and elsewhere, and yet others pioneered by NGOs. NGO experience on impact assessment (e.g. Roche, 1999) may have clues as to worthwhile shortcuts in monitoring.

How indicators could be selected more ‘strategically’ is another obvious topic for further work. However, it is hard to see how this could be pursued far as a mere monitoring question. We have argued that the appearance of randomness that the current indicator listings give arises in good part from the fact that the poverty-reduction strategies to which they relate have a ‘missing middle’. Most PRSPs to date fail to identify which critical changes need to occur for the identified actions to produce the desired results. Ideally, a monitoring system should focus particularly on detecting quickly whether such key changes are occurring or not.

A point of entry into this topic is the question of the continuing involvement of PRSP stakeholders in monitoring activities. If non-governmental stakeholders remain mobilised after HIPC completion and can receive feedback on implementation issues, fresh thinking on strategic bottlenecks and priority actions may be stimulated.

In Part II of the paper, we take up a number of these issues, to the extent that they are amenable to desk-study treatment. Three main topics are covered: what to monitor; how to monitor; and monitoring for what.

## **PART II: RISING TO THE CHALLENGE OF PRSP MONITORING**

### **3 What to Monitor and Why**

#### **3.1 Introduction**

A central idea in Part I of this paper was that monitoring designs cannot be expected to solve the problems of weak planning. In other words, PRSP documents should be expected to contain decisions about what needs to be done in order to achieve poverty-reduction goals. Decisions about what to monitor and how to do it should be a next step; but they cannot be a *prior* step.

At best, thinking about monitoring – and about the associated question of how PRSPs might begin to displace externally defined performance benchmarks<sup>5</sup> – can provide a way back into an unfinished debate about basic strategy. This is particularly feasible if stakeholders who have been mobilised in PRSP design processes remain active within the institutional arrangements for monitoring and see this as part of their job. However, that only means that monitoring processes may prompt some revisiting of the substance of poverty-reduction strategies. It does not imply that monitoring is the same as planning, or can be a substitute for it.

It follows that our discussion in this section has to touch on what ought to be included in PRSPs, as well as on what should be monitored. That means we need to set some definite limits. Otherwise, the task will become impossibly broad and very challenging indeed. We do this by largely limiting the discussion to the challenges facing what is often considered the most promising PRSP, the Ugandan PEAP. What is currently being discussed in the PEAP revision process and Uganda's Poverty Monitoring and Analysis Strategy raises a number of generic issues that will be faced sooner or later by all PRSP countries. While the problems are not yet solved, lines of approach can be suggested on the basis of Ugandan experience that could well be applicable elsewhere.

We deal fairly quickly with the first sub-topic, final outcome/impact monitoring (or poverty monitoring in the narrow sense) as this is well covered in the literature, and according to our documentary survey is already getting much increased attention. The main thrust of the section is to make the case for closer attention to intermediate outcomes, and for exploiting more fully the potential of different forms on input monitoring.

#### **3.2 What kinds of final outcomes/impacts?**

##### *Handling multidimensionality*

The subject of the multidimensionality of poverty has become a familiar one, thanks to the 2000/01 World Development Report, the DAC Poverty Guidelines and a succession of Human Development Reports and Poverty Reports from UNDP. Together with the influential debates around these documents, the multidimensional character of the Millennium Development Goals has helped to ensure that in most PRSPs there is some commitment to goals additional to a reduction in the percentages under the monetary poverty line. With respect to PRSP monitoring, this implies paying attention to Demographic and Health Surveys and national HDRs as well as household expenditure

---

<sup>5</sup> See PRSP Institutionalisation Study (Booth et al., 2001), Chapter 1.

surveys. It is now normal that there is also some mention of the need for a participatory poverty assessment (PPA) exercise.

That is the formal state of affairs. However, despite the now frequent references to the multidimensionality of poverty, income poverty is invariably the central focus. In spite of the frequently stated concern to move away from standard quantitative income poverty measures and give greater weight to participatory assessments and qualitative information, the traditional poverty-line-based head count, poverty gap and intensity indicators predominate. As Thin et al. (2001) point out on the basis of a review of (i)PRSPs, income is typically presented not as a means to improve welfare but as an end in itself: ‘paradoxically ... lack of education and lack of adequate nutrition are seen as less basic to the definition of poverty than lack of income’.

This would be of less concern if it were the case that income poverty and other dimensions were thought to be closely correlated. That is, if the level of per capita expenditure were a moderately good predictor of nutritional status, social condition, empowerment, etc. The controversy in the research literature on this subject is continuing. However, the tendency is increasingly to find relatively low associations between measures of deprivation corresponding to the different conceptual dimensions (Sahn, 2001). Monitoring income poverty is therefore no substitute for watching closely all of the relevant variables, to the extent possible.

This is evidently quite a challenging undertaking. Experience of monitoring the final outcomes of PRSPs in a balanced multidimensional fashion (as opposed to the parallel production of survey reports, national HDRs and PPAs) is as yet limited. However, for a number of years Uganda’s Poverty Monitoring and Analysis Unit has been working on Poverty Status Reports and frequent briefings that set out to weave different qualitative and quantitative poverty information into a single fabric.

Although the activity of the PMAU did not until recently draw the Uganda Bureau of Statistics and the PPA group (UPPAP) into a very close relationship, it has capacity to move across the relevant areas of expertise, and this has ensured that they have not inhabited completely different worlds. Poverty monitoring units or *Observatoires* in a number of other countries, including Rwanda, may in due course develop a similar capability.

### *Why collect final outcome data?*

As we emphasised in Part I, final outcome data are largely useless for providing the sort of quick feedback on PRSP performance that is most needed for learning and accountability purposes. The speed with which survey data become available is improving fast (data from the Rwanda survey having been incorporated in the PRSP document within months, for example). However, results are likely to remain relatively slow to appear in generally-usable form, and the problems found in attributing any trends or patterns to specific policy measures will remain. The reason for repeating this is not to detract from the new attention being given final-outcome monitoring, but to emphasise the importance of not putting all efforts into this single area of improvement.

That having been said, expenditure surveys, DHSs and PPAs are, severally and together, essential in providing:

- information on who the poor are,<sup>6</sup> and what their priority concerns seem to be, which is the indispensable starting point for poverty-focused policy design;

---

<sup>6</sup> Unfortunately, national surveys are less good at establishing *where* the poor are, except in highly aggregated terms, as discussed in the next section.



- policy learning of a deeper sort: a better understanding of how poverty sometimes gets reduced, why it very often does not and, therefore, what are the entry points and levers that might be utilised in a strategic fashion.

During the last major surge of activity in poverty assessment, in the early-to-mid 1990s a primary focus of analytical interest was the construction of relatively simple ‘poverty profiles’ (cross-tabulations of poverty and other household characteristics). Some of the best World Bank country assessments (e.g. Zambia, Tanzania) did go somewhat further, however, with econometric work, sometimes combined with analysis of PPA material, to explore the causality of poverty in a deeper way.

The principal focus in most countries is likely to remain the poverty profile, which is important for many of the more basic questions about priorities that PRSPs have to settle. In some cases, particularly where a series of comparable surveys exists, more ambitious diagnostic work may be appropriate. However, it is the *quality* of analysis and interpretation that must be paramount, not the quantity or apparent sophistication.

For example, workshop held in Uganda in 2001 discussed the closer integration of the Integrated Household Survey and PPA work, anticipating the start of Uganda’s second national PPA. This reached agreement on a form of linkage that is expected to lead to the PPA’s investigating in a deliberate way some of the explanatory puzzles arising from the trend evidence of the last decade, especially that arising from the ‘panel’ element in the survey – i.e. the households that were covered by return visits over a number of years (see UBoS/UPPAP, 2001).

### **3.3 What kinds of intermediate variable?**

#### *Learning from Uganda*

One of the features of Uganda’s PEAP, especially in its revised (2001-03) form (Uganda, 2001), is its serious effort to fill in the ‘missing middle’ that characterises most comprehensive poverty-reduction strategies, whether prepared by governments or by donors. In respect to each of the plan’s overarching goals, the document discusses relevant evidence on what is and is not working, and identifies principal ‘policy challenges’.

The level of specificity varies quite a lot across the sectors, reflecting in part the degree to which serious policy thinking has taken place in the context of a SWAp or cross-sectoral policy framework (such as the Plan for the Modernisation of Agriculture). Nevertheless, there is a recognisable effort to diagnose policy failures and identify corresponding actions. Suggestions on how progress might be monitored follow immediately, and are reproduced later in a summary matrix. Particular attention is devoted to the middle columns of the matrix, headed respectively ‘Outcomes’ and ‘Outputs/access/proximate determinants of outcomes’.

The Ugandan document is a model in terms of intention. As we mention presently, the institutional arrangements are also encouraging in so far as they provide incentives for the relevant actors to take steps to fill in what is missing. But the intentions are not entirely realised, and some quite significant gaps do still need to be filled.

This is one of the central claims of a careful study of Uganda’s M&E needs by Arild Hauge for the World Bank’s OED (2001). Hauge argues that between the 2017 and other long-term goals of the PEAP and the operational plans that are being laid, there seems to be a gap at the level of the intermediate results that are expected. For example, in the Budget Framework Paper for Education:

‘Goals are expressed as increases in the pupil:teacher/classroom/book ratios. There is little discussion, and no targets, pertaining to the critical dimensions of the quality issue: such as drop-out rates, years of educational completion or examination attainment standards. One is left with no answer to the question: what difference would we like improvements in [these] ratios to make, in terms of educational quality? And would improvements in these ratios be the most cost-effective means to improve educational quality?’ (ibid: 9).

Hauge notes the danger that, with output-based performance orientation, ‘managers become motivated to establish goals they know they can attain, with little regard for whether they make a difference on the ground or contribute to longer-term goals’. ‘Without a clear and common set of first order goals and targets cascading through a national development management system, it is not given that there is congruence between planning and management activity or that everybody is pulling in the same direction’. He concludes: ‘emphasis must be placed on distillation of clear and consistent poverty goals, targets and performance indicators pertaining to the reach and outcome levels of change – covering a medium term timeframe such as 2, 5 and 10 years’ (ibid: 9, 17, 24).

These conclusions were no doubt reached before the last PEAP revision was completed. However, they reflect a reality that has certainly not gone away in the meantime, even if some headway has been made in some sectors. More important, it accurately pinpoints the main challenge facing PRSP design, and hence PRSP monitoring, generally.

It is, therefore, not the case that Uganda shows by clear example what should be put in the ‘missing middle’ of PRSPs. On the other hand, the PEAP document has the right structure, and – more vital still – there are also incentives that are beginning to work in the desired direction.

Uganda, like many other countries in the region, is in the middle of a reform of public management that includes an outcome-oriented or programme-based approach to budgeting, and a results-oriented reform of human-resource management in the civil service. The country has no less than its share of slow or stalled implementation in these areas. However, it is distinguished by an unusually vigorous use of existing instruments by the Ministry of Finance, Planning and Economic Development to ‘challenge’ line ministries and local government, promoting harder thinking about the relevance of activities to goals.

Currently, these focus on the medium-term Budget Framework Papers just mentioned in connection with the Education example, and the carrots and sticks connected with the operation of the Poverty Action Fund (see Annex 2, and Foster and Mujimbi, 2002). Under these arrangements, line ministries are offered better *de facto* access to resources if they can demonstrate plausible linkages between proposed programmes and PEAP goals to the satisfaction of the Poverty Eradication Working Group established as part of the apparatus of the Medium Term Expenditure Framework.

It might be argued that the criteria of assessment used initially by the PEWG were somewhat crude, and unduly biased towards both basic service delivery and a ‘targeting’ interpretation of relevance to poverty-reduction. Nevertheless, the dialogue around the BFP proposals promises to generate the sort of deep thinking that is needed to fill the gaps identified by Hauge. In this way, a mechanism may emerge for improving the PEAP that is a great deal more effective than mere entreaties to line ministries to become more outcome-oriented in their thinking.

## *Learning from SWAps*

SWAps are another possible source of learning about how to fill missing middles. A recent survey of SWAp experience in Africa, Bangladesh, Bolivia and Cambodia (Foster and Mackintosh-Walker, 2001) has brought out both the highs and lows of experience so far. It finds rather uneven and unclear evidence of actual benefits for poor people attributable to SWAps (this is partly because many of the recorded changes predate the establishment of a full SWAp). But the joint reviews that are a common feature of SWAps do seem to have generated useful analysis and debate. This has helped to sharpen the focus on poverty and/or on access problems for different groups, acting in this way rather like the PEWG in Uganda.

Among the problems confronted is the lack of clear linkage between the targets agreed and actual funded activities. The lack of such linkage is bad for accountability and is also a problem from the point of view of making an intelligent assessment of performance that will permit real learning:

‘The sector programmes typically include targets for [final] outcomes. [However, i]n the health sector, the linkages between targets for maternal or infant mortality, and the interventions intended to bring them about, are very indirect, and whether the targets are achieved may bear little relation to the successful implementation of the programme, especially in situations where the growth of the AIDS epidemic is in any case likely to overwhelm progress made. Interventions in nutrition, water and sanitation or in girls’ education may in any case have greater impact. It would in principle be possible to base the targets on the expected impact of specific interventions: immunisation coverage, bed nets and other malaria interventions, improved coverage of ante-natal care’ (ibid: 14).

At first sight, this might seem to be suggesting the opposite course from the Hauge quotation above on Uganda education. It argues for refocusing on performance measures that are closer to actual activities. At the same time it is raising a question about whether the most effective activities have been prioritised, from the point of view of the desired outcomes – the same question as raised by Hauge. However, there is no inconsistency.

Together, these examples make well the point that what is required is not a greater general emphasis on some particular point in the chain from inputs to final outcomes, but greater linkage *all along the chain*. There needs to be more focus on thinking about change in a joined-up way, and on measuring things that are thought to be connected to other things that matter from a poverty-reduction viewpoint.

Summarising the performance of SWAps, Foster and Mackintosh-Walker, conclude: ‘There are some good examples on monitoring indicators that are well structured to relate outcome targets back to specific outputs, and the inputs and resources required to achieve them’ but there are also ‘some cases where quantified goals and targets are effectively meaningless because the actions required to achieve them and the resources needed have not been defined and allocated’ (ibid: x).

Two other things have been clarified as a result of discussion in and around SWAps. First, from a poverty-reduction perspective, measures of *coverage* or *reach* of essential services are more important than the quantity and quality of outputs. Also, qualitative investigation of the reasons for the use and non-use of services by poor people, and ways of overcoming those constraints, can play a very useful role (ibid: vii). Targets need to be set in terms of success in improving access and easing the relevant constraints, not in terms of the absolute level of services made available.

Second, solutions to problems, and hence appropriate targets, typically emerge out of a collective process of learning and critical debate. Progress is more likely to be made if it is clearly recognised that these are not technical tasks that can be delegated to specialists, but ones that require tough-minded dialogue and ‘brainstorming’ about issues and evidence (which has implications for the kinds of data-collection instruments used, as discussed in the next section).

### 3.4 Input monitoring: its scope and importance

We have suggested that there is some danger that in pursuing the objective of becoming more outcome-oriented, PRSPs may become overly focused on *final* outcome, or impact, objectives. Agreeing appropriate targets and monitoring information covering the middle range, between inputs and final outcomes, poses a larger challenge in many respects. This is what needs most additional attention. However, just as importantly, an outcome-oriented approach should not imply neglecting improvements in *input* monitoring.<sup>7</sup>

As suggested in Part I, one danger is that input monitoring will be regarded too narrowly, as limited to budget allocations to different sectors or activities, and to financial inputs only. Experience suggests that there are a number of issues that need tracking on the financial side, and also that some non-financial inputs may be worth watching closely. Monitoring the effectiveness with which inputs are delivered to different levels of government, and to service-providing institutions, has an extremely important place in a PRSP monitoring system.

The dimensions of financial input monitoring that are liable to be neglected if the question is treated too narrowly include:

- the execution, as distinct from the formulation, of the budget – i.e. what is the share of budget out-turns by sector or activity, after the effects of revenue shortfalls and cash-limited disbursements have been taken into account; and
- to what extent do funds reach their specific intended destinations, such as schools or clinics (as against various forms of ‘leakage’).

The first depends on the institutional and technical qualities of the public financial management system. The second tends to call for special surveys or ‘tracking studies’.

Uganda provides a now classic example of what can be gained from tracking inputs more effectively. As reported more fully in Annex 3, the series of surveys of 250 public primary schools carried out during 1991-95 found that on average as little as 13 per cent of the central government’s contributions to the schools’ non-wage expenditure was reaching them. A strong campaign, arising from the survey results, to publicise the funds sent to districts for schools resulted in over 90 per cent of an increased allocation reaching its destination in subsequent years (Reinikka and Svensson, 2001).

It is not only financial inputs that can be missing, moreover. In the regional consultations around the PRSP in Benin, Ministry of Finance officials were surprised to be told that teacher absences represent a serious and chronic problem in rural schools. It is not known what conclusions, if any, were drawn from this, but an implication would appear to be that teacher attendance rates ought to be monitored (Bierschenk et al., 2001). Similarly, many studies of rural health care have highlighted the widespread practice whereby trained staff frequently use untrained ‘assistants’ to

---

<sup>7</sup> Even in Uganda, where financial and poverty monitoring are located close together within the MFPED, there is a case for arguing (as does Hauge, 2001) that they should be more fully integrated, as highly complementary components the PEAP M&E regime.

provide clinic services while they engage in more remunerative private sector activities (see, for example, Assiimwe et al., 1997).

A matrix prepared by Mick Foster in connection with the information needs of budget planning and management in Mozambique provides a comprehensive account of the financial monitoring arrangements that would be desirable, together with current gaps and short- and long-term solutions. While this is not limited to input monitoring, it points up that a considerable range of different kinds of input issues are relevant to poverty-oriented public-expenditure management (Annex 4).

## 4 How to Monitor: Getting a Supply of Valid and Reliable Information

### 4.1 Introduction

Deciding *what* to monitor has some immediate implications for *how* to do it, in the sense that some instruments are inherently unsuitable for meeting the kind of information needs that have been prioritised, while others have proven much better. For example, if the reach of essential services is the key question, surveys that cover the base populations have attractions, and facility-based reporting systems have strong disadvantages. On the other hand, getting the right sort of supply of information for PRSP monitoring is not just a matter of the inherent suitability of different instruments. There is also the question of how good is their current performance, and whether it is realistic to expect this to improve.

As we argued in Part I, putting emphasis on the monitoring of intermediate outputs and outcomes suggests a big role for routine administrative data and management information systems. However, these are subject to well-known problems of reliability. What to do about such problems is as important as getting the right combination of different instruments. These form the two major concerns of this section. Once again, we discuss them in relation to each of the three ‘levels’ of monitoring.

### 4.2 Snags and new developments in final-outcome monitoring

#### *Comparative reliability: PPAs and surveys*

As we noted in our discussion of the ‘what?’ question, the battle to get the multidimensional concept of poverty accepted for operational planning purposes is not entirely won. This relates to the relative status accorded to the different instruments for assessing final poverty outcomes, especially household consumption surveys and participatory poverty assessments.

The status that tends to be given to the traditional, survey-based approach is well illustrated by the discussion in McGee and Brock (2001: 25-26) of the controversy in Uganda over what were seen as contradictions between the PPA and the household survey results as interpreted by Appleton (1999). Both documents were presented at the launch of the Comprehensive Development Framework for Uganda in 1999. A principal finding reported from the PPA was that the poor saw themselves as getting poorer while the rich were getting richer. The survey-based results, on the other hand, were said to demonstrate that ‘if anything, growth in living standards has been strongest among the poorest households’. For many, the immediate reaction was to ask, in effect, ‘why does the PPA not reflect the *true* situation?’

The subsequent analysis and discussion focused mainly on the PPA findings, pointing out that they should not be treated as directly comparable with the survey results. Changing levels of consumption expenditure should not be expected to coincide with perceptions of changing levels of poverty. The PPA and survey results should rather be seen as complementary, offering alternative perspectives that can jointly provide greater insight.

While this point is well taken, it may also be useful to consider whether the use of poverty lines to assess changes in income poverty levels is always as reliable and robust a methodology as is assumed. If great care is not taken about methods and assumptions, household surveys can get it badly wrong, as a recent example from The Gambia illustrates. Three supposedly comparable

household surveys suggested that the proportion of the population falling under the lower of two poverty lines *halved* over one three-year period, and then *trebled* over the following six. Strong suspicion attaches to inconsistencies in determining the appropriate poverty line. These seem to have stemmed from misguided zeal in applying a textbook solution to the problem, rather than from mere carelessness (see Annex 5).

### *Divisions of labour between surveys and PPAs*

As in the above case, PPAs may help raise questions that lead to a re-examination of the methods used in survey analysis. But the comparative advantage of PPAs is not in challenging surveys on their own ground. Although there is some scope for methodological triangulation between surveys and PPAs – that is, for using data from the one to check those from the other – it has been argued recently that the areas of direct comparability have been exaggerated. On this view, it is more important to develop other kinds of complementarity between the two approaches. These involve an iterative, puzzle-solving relationship, focused less on ‘what?’ and more on ‘why?’ (Appleton and Booth, 2001).

The second PPA in Uganda has taken up these conclusions in its design. The fieldwork has been designed to try to ensure that questions arising from the panel element in the survey are pursued in the PPA study sites, and that any findings feed back into the design and analysis of the survey. It has also been agreed that the PPA will become somewhat less focused on exploring poverty perceptions and other final-outcome issues, and more so on investigating known PEAP implementation issues (UBoS/UPPAP, 2001). This means, in effect, contributing to participatory monitoring of the country’s PRSP, as discussed in the next sub-section.

Quantitative methods are not necessarily more rigorous and reliable than qualitative ones. Nor is quantitative/qualitative the best way of formulating the distinction between the approaches. Booth et al. (1998) use the terms ‘contextual’ and ‘non-contextual’ to distinguish the polar types of data-collection method, reserving quantitative and qualitative for types of *data*. Whether or not information is easily quantified, it may be helpful to collect it in a way that pays attention to its social, economic and cultural context; or it may be better to try to ensure that it is ‘untainted by the particularities of the context in which it is collected’. For present purposes, evidence that households below the income poverty line in a given country tend to have high dependency ratios would normally be generated by the latter route; whereas complaints that corrupt local officials disrupt access to health services would normally arise from the former.

In purely practical terms, stressing the importance of ‘context’ has proved useful in advocating the value of participatory techniques in poverty assessment and monitoring. It appears to be a concept that is readily accessible to senior policy makers who are uneasy with the quantitative/qualitative dichotomy. It also appears to have a natural affinity with the tendency to focus on geographical locality as a key element in poverty monitoring and the associated increasing interest in geographical information systems.

### *Geographical information systems and poverty targeting*

One of the key issues in developing poverty-reduction strategies is that of targeting. Which policies are most cost-effective in reaching the poor and what is the extent of ‘leakage’, the spread of benefits to the non-poor? Most countries have adopted policies that involve at least some degree of geographical targeting.

The motivation for this often appears self-evident. On the one hand, remote, inaccessible areas with limited access to markets and public services are typically associated with high rates of poverty,

whether defined purely in terms of income or more broadly. On the other, programmes designed to reduce poverty, whether these relate to increasing outputs, providing employment opportunities or facilitating access to education or health services, can be relatively easily targeted at ‘poor areas’, particularly if these have well-defined administrative boundaries. Poverty-alleviation policy in China, for example, has long been almost entirely based on the identification of ‘poor counties’, which are the focus of special development programmes and qualify for heavily subsidised loans designed to stimulate growth.

Such policies have, however, been criticised both in terms of their often low ‘sensitivity’ – failure to identify poor households living outside these areas – and low ‘specificity’ – leakage of benefits to the non-poor living in them.<sup>8</sup> As might be expected, these problems increase with the size of the targeted areas. Geographical targeting would be much more cost-effective if it could be undertaken at the level of local districts or even individual villages (Bigman and Fofack, 2000).

Unfortunately, the information required to work at this level is rarely available. If standard income poverty lines are used for resource allocation, for example, the household expenditure surveys used for area classification will typically be based on sample sizes of around 2,000-4,000 households. This will usually not allow disaggregation below the level of very broad regions, often above even the principal administrative divisions of the country.

One interesting exercise attempting to improve the use of geographical information systems for poverty targeting is currently being undertaken in Vietnam. Combined use of household-survey and census data generates estimates of poverty incidence for each of Vietnam’s 61 provinces. Further work is being done with the aim of identifying usable predictors of consumption-poverty among households (see Annex 6).

Geographical targeting is traditionally based on administrative areas, given that national data-collection systems are organised on this basis. However, as Devereux (2001) points out in connection with food security information systems, disaggregation by administrative area may not be very useful in terms of identifying vulnerable population subgroups. A district, for example, though it may be the lowest administrative level in a given county, may still contain a highly heterogeneous population, particularly in terms of the range of livelihood systems.

A number of agencies have addressed this problem. Of these, the food economy approach developed by SCF-UK is of particular interest. This divides a country into ‘Food Economy Zones’ (FEZs), based on dominant livelihood systems. These zones can be characterised using both secondary data sources, for example by reanalysis of household survey or census data based on the mapping of existing enumeration areas onto the FEZs, or primary data collection, for example using PRA techniques with communities within the zones.

In statistical terms, this technique can be seen as an attempt to define strata that are homogenous in terms of livelihood strategies and thus more likely to display homogeneity in terms of policy impact. While the approach was designed specifically in the context of policies relating to food security, it would seem to have general application to the impact of poverty reduction policies on livelihoods.

### *Combining GIS and PPAs?*

GIS may have a role to play in combining the results from PPAs and household surveys. An interesting possibility arises in The Gambia. Here, wet and dry season PPAs are being undertaken

---

<sup>8</sup> These concepts are used in a number of areas including medicine and engineering. They also relate to the traditional Type I and Type II errors of hypothesis testing.



as part of a three-year IDRC-funded project. The final wet-season PPA was completed in 2001. The areas included in the exercise were selected from the enumeration areas sampled for the 1998 NHPS. The PPA gathered qualitative information relating to household income sources and expenditure items in that survey.

There are thus very interesting possibilities for combining data at various geographical levels. Providing basic information from the NHPS on specific poverty target groups in particular regions, and supporting this with qualitative information on those same populations from the PPAs, could be very effective in encouraging stakeholders to become more involved in analysis and interpretation. This process will also require the establishment of more effective mechanisms to allow timely access by other agencies to both published information and, as far as possible, the raw data.

### **4.3 Process monitoring: reforming and challenging administrative systems**

#### *The practical need for intermediate process-monitoring*

In Section 2, we argued that poverty monitoring in the narrow sense is not only of limited use for accountability and immediate learning purposes, but also in some respects unnecessary. A case in point is the enormous difficulty and expense of accurately measuring short-run declines in maternal mortality, one of the primary Millennium Goals. The health NGO Options is among those stressing in this connection the value of ‘process indicators’ based on routinely collected facility data to monitor the situation of pregnant women.<sup>9</sup> This may be used to illustrate the wider challenge posed by the tracking of key intermediate steps in implementing a PRSP.

Such indicators have been found potentially useful in areas other than maternal health.<sup>10</sup> In an analysis of trends in infant mortality in Zambia, Simms et al. (1998) found that the most highly correlated variable was antenatal clinic attendances, which was probably simply indicating the existence of a reasonably functional local health service. The ratio of clinic births to ANC visits is also a useful local indicator of women’s ability to afford maternal health services (the former may be free or very low cost, the latter often relatively expensive compared to a traditional birth attendant).

Whatever their merits, however, Options admits:

‘For process indicators to be successfully used, projects need to invest time and resources in building the capacity of facility staff to understand, collect and use routine data.’

Similar sentiments have been expressed repeatedly over many years, not only in relation to health-facility staff, but with reference to teachers, extension workers, local government administrators and most other actors in local service delivery. At least for sub-Saharan Africa, it is difficult to find much evidence of the considerable ‘time and resources’ which have indeed been allocated to this task.

#### *Confronting incentive issues in administrative systems*

The response should clearly not be to abandon the attempt. Process indicators will be central to PRSP monitoring and relatively low-level service delivery and administrative staff will be key

<sup>9</sup> *Options News*, Newsletter no. 7, July 2001.

<sup>10</sup> Options is currently developing the use of such indicators in the “Nepal Safer Motherhood Project”, funded by DFID.

actors in delivering the data that are needed. However, without rehearsing again the rather fundamental deficiencies of current systems, it is clear that more innovative strategies are required, beyond the established approaches based on information-systems design and training programmes.

One seldom addressed issue in poverty monitoring is that many of those charged with gathering data and reporting on the situation of the poor are themselves living very close to the poverty line. A qualified nurse working in a public village health station in Nigeria has a salary equivalent to \$1 per day. A graduate teacher in The Gambia earns around US80 cents. Less qualified staff, for example agricultural or health extension workers, may have incomes below the official poverty line. Moreover, the most lowly-paid staff are commonly found in precisely those areas that have the highest concentration of poor households.

Why does this matter from the point of view of monitoring? Two key issues would seem to be relevant. First, making additional demands on those who already perceive themselves as insufficiently rewarded is not likely to be met with much enthusiasm. Motivation does not only depend on salary levels, but very low (and possibly irregularly paid) salaries do typically lead to low motivation. Second, poorly-paid staff typically look for 'livelihood strategies' to increase their incomes. Such strategies usually involve at least the non-observance of their working codes of conduct, and often the illicit use of the resources or status provided by their position.

In many countries, central administrations have very limited capacity to monitor and regulate such behaviour at the grass roots. Those who are behaving in this fashion will naturally tend to regard improved monitoring with considerable suspicion, if not open hostility. A common expression in China is 'the cadre makes the information and the information makes the cadre'. Control over information – for example, about fee rates or even the official opening hours of health facilities – may be a valuable 'livelihood asset' that will not be willingly surrendered.

One of the few projects to directly address this issue has recently been started in Cambodia by Médecins sans Frontières. Involving a donor-funded top-up arrangement and related staff contracting, this scheme poses significant sustainability problems but is not without wider interest. It offers a 'New Deal' to local health workers and administrators, as a way of breaking into a downward spiral linking low basic salaries with poor service quality, low utilisation and minimal fee income from which to pay bonuses (Annex 7).

A related, though much less complex, example of the effective use of contracting was observed in evaluation work in poor rural areas of China. It involves the establishment of a formal monitoring arrangement at village level. The initiative seems to work because it is linked to a simple system in which service providers ('village doctors') are contracted under a limited prepayment scheme. Claims for payment from the village health care fund requires that the provider return a simple patient diagnosis and treatment record to the fund manager. The file of such records provides a basic but effective information system that can in principle be used to monitor both health service utilisation and provider behaviour (Annex 8).

### *Communities versus providers?*

In recent years, there has been increased emphasis on community participation in the design and implementation of a wide range of development projects. It might therefore seem reasonable to suggest that the actual and potential users of services, those most directly concerned with availability and quality, should be both authorised and encouraged to play a larger role in monitoring the delivery of those services. However, detailed consideration of the possible mechanisms for such involvement raises many difficult questions.

Why should communities take on such activities? Realistically, what benefits might they gain? Do appropriate community groups exist that can undertake monitoring, or could they be created? How should such groups be constituted and what training and resources would they need? What precisely should they monitor and how could such monitoring be undertaken? What relationship would they have with providers and how would those providers be likely to respond? How should community groups relate to existing service management agencies, other local government bodies and NGOs?

The ‘balance of power’ between providers and users is one of the key things that must be taken into account. As Mackintosh (2000) points out, contracts work best when the services to be delivered are relatively easy to measure and monitor. They are also greatly reinforced if there are effective penalties for default and both parties have equal recourse to enforcement procedures. In most countries, qualified staff – for example, nurses and teachers – are in short supply, particularly in poor areas. This gives them considerable status and may allow them to some extent to dictate their conditions of service. Even when community monitoring indicates inappropriate or even illegal behaviour, local administrators may tend to side with extension workers, teachers or health workers, to avoid losing them.

In most circumstances, monitoring strategies that fail to address the concerns and interests of providers will stand little chance of success. One alternative approach rests on the development of ‘partnership’ models – supporting providers and user communities to negotiate jointly-determined priorities, establish common objectives and agree how to best use their joint resources to pursue those objectives. Annex 9 describes an interesting case from Bolivia. This centres on a community health information system that pools data collected by community health promoters and health service providers. These are presented in accessible graphical forms and used to stimulate joint decision-making and monitoring of progress at the local level.

### *Disseminate first, monitor later*

Other important actors within administrative information systems are low-level staff of line ministries or local governments. Many efforts to improve reporting systems have focused on this level, with limited success. However, some of the problems encountered may be able to be addressed by means of imaginative inversions of standard approaches. Two examples from the field of educational information systems are worthy of note.

A novel approach to engaging the interest of local administrators in improving routine reporting procedures has been undertaken by DFID projects in Cambodia and The Gambia. The Education Management Information System (EMIS) component of education projects in both countries has adopted a strategy towards design and implementation which appears to be both a radical departure from the conventional wisdom and, at least from initial impressions, relatively successful. Rather than starting with attempts to improve reporting from the local level to the centre, priority is given to immediate dissemination to local education offices of whatever reasonably reliable and relevant information already exists at the centre. This has generated increased interest in the data and given local officials a desire to fill gaps and comment on relevance (Annex 10).

In Ghana, School Performance Assessment Meetings (SPAMs) seem to be playing a comparable role in shaking up information systems and generating a new kind of interest in improving the quality of data (while also fostering accountability to users). SPAMs attended by teachers and parents are provided with Ministry of Education data on attainment levels in English and Mathematics for all schools in the district. Standard comparability and completeness issues naturally arise; but the fact that sector information is made available ‘downwards’ and not just filtered up to the Ministry and left there, is reported to be generating increased interest not only in

the substance of comparative performance but also in the data themselves. It seems likely that this will have effects on the attitudes of local education-office staff as well.

### *Beyond administrative data*

PRSP monitoring arrangements should include, where possible, efforts such as those indicated to tackle the basic incentive problems underlying the weaknesses of most administrative data. However, there are sound reasons not to rely on the reform of routine systems and for developing information sources that run parallel to them. One reason is that such reforms may take some time, and the more so if they lack the stimulus coming from the generation of independent information. The other is the problem of inherent limitations mentioned at the beginning of the section. We need sources of information that are not facility-based anyway, because reach is a crucial issue and facility-based data cannot tell us much about reach.

Not relying on administrative data does not necessarily mean creating new structures. In many countries, there are light-weight and reasonably reliable data-collection instruments such as those set up for famine early-warning purposes that ought to be simply incorporated into a PRSP-monitoring system (Annex 11). There are also some examples of the other instruments mentioned below being mainstreamed within official systems to some degree.

Three other kinds of instrument need attention to be drawn to them:

- service-delivery surveys (and household surveys that collect information on service use and quality);
- integrity and business-climate surveys;
- commissioned studies;
- qualitative impact monitoring/participatory process monitoring (or PPAs with a focus on implementation).

### *The usefulness of special surveys*

*Service delivery surveys* have been used to good effect in a number of countries, including Bangladesh, Tanzania and Uganda. As explained more fully in Annex 12, a typical survey of this type combines interviews with representative samples of households, interviews with service providers and key informants, schedules completed by enumerators giving details of facilities and services, and, in some cases, an 'exit poll' of users. The range of information generated includes the proportion using government and others services; differences in patterns of use across social categories; and reasons for use and non-use.

Such surveys cover the key gap in administrative data, that of the reach of official provision and the factors responsible for limiting access. In at least one of the above countries, surveys have been contracted out to international organisations on a number of occasions, but are now being institutionalised within the national survey system under the Bureau of Statistics. They are no doubt subject to some methodological imperfections, but they seem effectively to sidestep the problem of motivating service providers to report on themselves.

Other standard surveys usually contain under-exploited information on service use, including integrated household surveys and, in a more focused way, CWIQ surveys. There is no doubt that these sources should be used more intensively as means of tracking intermediate PRSP performance issues. However, supporters of service-delivery surveys argue that these are a particularly cost-effective instrument for the particular purpose for which they were designed, so that other sources should be used primarily for triangulation and further generalisation.

*Integrity surveys* and surveys that investigate *the climate of business confidence* in a country, are both worthy of attention in this context. Official corruption and the damage done by it to poor people both directly, through their own interaction with petty officialdom, and indirectly through the effects on the pace and pattern of economic growth, do not yet have the place they deserve in most PRSPs. However, this may change as national dialogue on PRSPs develops through the review and revision phases. The same goes for the somewhat broader range of issues in governance and the rule of law that influences private investment and hence the prospects for pro-poor growth. To the extent this happens, the use of this other type of survey should spread.

Existing examples include Uganda, where use has been made of both Integrity Surveys, conducted by CIAT of Canada, and business-climate surveys, in the biennial Poverty Status Reports. Information from such sources has been drawn on in assessing the first two Pillars of the PEAP, 'Creating a framework for economic growth and structural transformation' and 'Good governance and security'. Although they combine focus-group work and exit-poll surveys, these studies are subject to the well-known weaknesses of 'attitude' surveys and could no doubt be strengthened with research with a more 'behavioural' emphasis.<sup>11</sup> Nonetheless, in the absence of better information made available in a timely fashion, they provide a very useful complement to other survey-based and administrative information, and help to raise the profile of real issues.

### *Non-survey instruments*

*Commissioned studies* may take the form of surveys of the above type. They may alternatively, or as well, be based on one-off participatory-assessment exercises of the sort mentioned below. However, there is a need to recognise a separate category of studies commissioned to investigate a specific 'missing middle' issue, drawing on either existing data or new investigation according to the purpose. This is one of the lessons of some of the more advanced SWAp experiences.

In the framework of SWAp joint-review processes, particular issues frequently arise about the pros and cons of alternative approaches to meeting final outcome goals. This is often linked to uncovering the reasons for current poor performance. In a number of instances, special studies have been successfully commissioned, leading to significant discoveries and changes of approach within the sector:

'In the face of a disappointing public response to the expansion of primary health services, Ghana and Bangladesh have researched the causes of unequal access and are developing more specific strategies for reaching the poor. Zambia and Cambodia have focused basic education interventions on understanding the barriers to enrolment by the poor and introducing specific policies to address them. The problem of cost to parents was identified as a major barrier in all but one of our education cases (most dramatically in Uganda), and a key intervention has been to reduce costs to parents' (Foster and Mackintosh-Walker, 2001: vii).

In the health cases mentioned, combined use was made of specially-designed participatory appraisals and secondary analysis of household survey data on usage. The findings confirmed that the government system was in contact with a very low percentage of potential users. Had service-delivery survey results also been available, further conclusions might have been able to be drawn about the reasons for low usage.

*Qualitative impact monitoring/participatory process monitoring* is a rather broad category covering quite a range of technically different but substantially similar traditions and techniques. Several of

---

<sup>11</sup> For a general statement of this concern, see Appleton and Booth (2001: Sec 2.4 and Annex 1).

these have had a certain presence in some countries for some time. As well as investigating fundamental aspects of the ‘poverty complex’, PPAs have always had important things to say about government services and other issues that, today, would come within the compass of ‘PRSP implementation’. We have already mentioned that some second and third generation PPAs, such as the current one in Uganda, are shifting their emphasis and looking more deliberately for evidence of implementation snags in specific policies. The time is now probably right for participatory policy monitoring to come into its own, breaking its residual links with poverty assessment proper.

In several countries, there are fairly long-established arrangements for conducting regular participatory ‘beneficiary assessments’ in connection with Social Funds and other large projects. In Zambia, the group originally set up for this purpose was subsequently involved in the World Bank PPA, and has since contributed to a range of commissioned sectoral policy studies of the sort just mentioned. In Kenya, Malawi and Benin, PIM and QUIM arrangements are being upgraded and mainstreamed within the PRSP processes,<sup>12</sup> and further proposals for disseminating this model are under consideration (Annex 13).

There are a number of challenges here. In general terms, what is needed is to draw fully on the extensive experience of official and NGO project monitoring and impact assessment using learning-process and participatory methods,<sup>13</sup> while adjusting for the very different purpose and scope of PRSP-implementation monitoring. Another is to achieve the same balancing act with respect to the recorded experience of traditional PPAs and their linkage to policy processes.<sup>14</sup> More specifically, there is a promise in the PIM/QUIM model that needs to be realised in full, which will not happen easily.

Like many commissioned sector policy studies, but unlike most PPAs – which have tended to pride themselves on their open-endedness and lack of prior assumptions – this model contains a substantial element of prior policy analysis, as well as deliberate fostering of feedback loops to policy (GTZ-SPAS, 2001). The effect ought to be that well-honed policy conundrums will be taken into the field, and fieldwork will contain a strong element of directed detective work, drawing on varied sources. Reporting will be expected to include answers to specific pre-formulated questions that have a bearing on current policy difficulties as well as fresh ‘voices’ that help to ram home policy messages for politicians, officials and the audiences of the mass media.

#### **4.4 Surveys and participation in input monitoring**

The case for including input monitoring as an integral part of a PRSP monitoring system, and the potential benefits from taking this aspect seriously, was made in Section 3.4. In this connection the financial-tracking survey was introduced, and further details were provided in Annex 3. It is not necessary to develop the point further.

What may, on the other hand, be worth pointing out is the relevance of a range of international experiences in ‘participatory public expenditure management’. These have been explored effectively in the chapter on ‘Organizing Participatory Processes in the PRSP’ in the World Bank’s PRSP Sourcebook (Tikare et al., 2001).<sup>15</sup> Since this material is readily available, we may limit ourselves to drawing particular attention to Section V(c) of the chapter and commending it to readers of this paper.

<sup>12</sup> Gomonda (2001), GTZ-SPAS (2001), Bierschenk et al. (2001).

<sup>13</sup> E.g. Brown et al. (2001), Blackburn (1998), Estrella (2000), Mosse et al. (1998), Roche (1999).

<sup>14</sup> E.g. Holland (1998), Robb (1999), Norton (2001).

<sup>15</sup> Promoting participation in the more general tasks of monitoring and evaluation, and strengthening feedback mechanisms from monitoring to policy, are emphasised in the latest draft of the M&E chapter too (Prennushi et al., 2001).

Particular highlights covered include:

- participatory budget analysis in Gujarat, India;
- participation in budget-making in Porto Alegre, Brazil;
- South Africa's Women's Budget Initiative;
- participation in budget tracking in Uganda (as discussed above, but with an emphasis on the dissemination of information on financial allocations);
- Bangalore public service report cards (a more participatory form of service-delivery survey, with the potential to uncover output and outcome as well as input-delivery concerns).

## 5 Monitoring For Whom, and For What?

### 5.1 Introduction

In Part I, we explored the ‘demand side’ of information systems in a limited way. We insisted on the general truth that ‘information is power’ and on the intention of the PRSP initiative to empower actors within countries by placing them in a position to demand information relevant to improving poverty-reduction performance. We noted that weak domestic demand for information has been as big a problem in the recent past as insufficient supply. But we were unable to add much on the basis of the review of (i)PRSPs and JSAs about the degree to which new approaches were being actively considered.

Somewhat fuller information is now available from studies of PRSP experience within and outside the Africa region. We draw on this in developing the argument of this section. Learning from previous project and sector-programming experience has been found to be less feasible in answering the ‘for whom and for what?’ question. In respect to the demand side of the information relationship, the context of the PRSP is perhaps *sui generis*.

### 5.2 Changing incentives and interim measures

Here we have two simple propositions. One is that the incentives to use information of the kinds we have been discussing are at present weak within most government systems, but processes are under way that could significantly strengthen them. The other is that experience shows that it is not necessary to wait for the fundamental incentive problem to be resolved; there are interim solutions that connect information with new sources of demand in ways that can influence policy.

#### *Poverty information and the budget*

A principal finding of the PRSP Institutionalisation Study for the SPA (Booth et al., 2001) is that the implementability of a PRSP depends crucially on the stage reached in introducing results-oriented public management reforms, and particularly those focused on public expenditure management and the budget. Outcome-oriented budgeting or programme budgeting, within a medium-term framework, promises to make a big difference. Under traditional budget practices, ministries and other units of government have little incentive to reform their activities and implement agreed policies, including those concerning poverty. By tying resource allocation – and crucially the within-year disbursement of funds – to priority programmes, rather than merely adjusting historic allocations, the new approach may begin to transform the way officials and departments behave. This could affect, among other things, the use they make of poverty information

There is, as yet, little clear evidence of this occurring, because of delays and disruptions in many of the leading MTEF/budget reform processes. There is some suggestion from the countries covered in the Institutionalisation Study that the PRSP process may provide a boost to otherwise flagging public financial management reforms. But it remains to be confirmed that this is the case. In the meantime, we have to fall back on the example of Uganda’s PAF – which, to recall, is not a special fund but a section of the budget that gets special protection whenever disbursements fall short of allocations.



The effect of PAF protection on the Budget Framework Papers submitted by ministries has been significant, as previously noted, prompting new efforts to demonstrate how programmes proposed for funding might be considered relevant to poverty reduction. The additional observation to be made here is that these efforts depend on the availability of relevant and reliable information. Following a period in which the Ministry of Finance itself was the principal source of demand for poverty information, line ministries are now approaching the Poverty Monitoring and Analysis Unit, and the Uganda Bureau of Statistics, with requests for data or studies, the results of which might help to justify a more poverty-focused budget bid.

Similar things may occur at the district and sub-district levels in Uganda within a few years, if recent proposals are implemented. A more current example of comparable developments at the local level would be the operation of Ghana's decentralised budget centres in Health. These have been operating activity-based budgets for a number of years, and some are linking their budget submissions to relevant information, some of it drawn from a low-cost community-based health reporting system comparable with the Bolivian example mentioned earlier.<sup>16</sup>

### *What to do in the interim*

Change in the fundamentals of information demand will not happen without budget reform, and until the associated incentives begin to cascade down into the human-resource management systems of the civil service. But to rely entirely on this happening would be a counsel of despair. There are a limited number of useful things that can be done in the interim, and the PRSP process itself should contribute to this by mobilising stakeholder groups, and even creating 'new' stakeholders,<sup>17</sup> that require and are capable of using information for policy improvement.

There are a range of possibilities here, and which angle is most relevant will depend on the country circumstances. Almost everywhere, the role now being played by FM radio stations, and to a lesser extent other mass media, is creating opportunities for turning poverty information, and especially PRSP implementation issues, into 'news'. Regular Poverty Status Reports and shorter briefings and press releases, such as those pioneered in Uganda and likely to be adopted in Tanzania, are good ways of feeding this interest. Advocacy-oriented NGOs can be useful intermediaries in this respect, with significant capabilities emerging for translating data into 'stories' that journalists or parliamentary politicians find interesting. Campaigning NGOs have become more active users of poverty information in their own right, under the influence of the debt campaign and PRSP initiative.

NGO monitoring of PRSP implementation can be more or less formalised, and more or less parallel to the official monitoring arrangements. Uganda's civil society PAF Monitoring is independent but officially recognised. The proposals for Social Control of the PRSP in Bolivia (PNUD, 2001; Blackburn, 2001) may well produce more of a parallel system, with corresponding strengths and weaknesses, given the country's traditions.

The range of feasible options will depend a great deal on the degree to which the stakeholders that have emerged during the PRSP design process are able and willing to remain engaged within an acceptable institutional framework for centralising and disseminating relevant information. Depending on the outcome of current discussions, non-governmental actors may become centrally involved in information-using activities that articulate closely with what government is doing. Alternatively, they may remain restricted to sniping from the sidelines on the occasion of CG meetings (FEMACT, 2001) and PRSP reviews, with more influence than before but of a limited kind.

<sup>16</sup> Mick Foster, personal communication; Booth (1999).

<sup>17</sup> E.g. advocacy networks, parliamentary committees with teeth.

### **5.3 Institutional designs: concentrate or disperse?**

This could be influenced by the way the formal institutions of PRSP monitoring are set up, an issue discussed at greater length in the Institutionalisation Study. Experience is at an early stage in most countries in this regard. However, examples of two divergent approaches do now exist, in Uganda and Tanzania respectively. In both countries, a network of interested institutions (data suppliers and users) has been established to coordinate PRSP monitoring. However, this formal similarity may disguise an important substantive difference.

In the Uganda case, the Poverty Monitoring and Analysis Unit both serves as a secretariat for the Network, and plays a very active role on its own account, benefiting from a strategic location within the Ministry of Finance, Planning and Economic Development. Over a number of years, this set-up has proven friendly to the integration of NGO-managed PPAs and statistical data from all sources. It has also helped to facilitate the relatively frank and extensive dialogue between government and NGOs that has been a feature of the PEAP process (Gariyo, 2001).

In Tanzania's Poverty Monitoring Master Plan, a relatively elaborate networking arrangement has been mapped out, which is formally very inclusive. No empowered secretariat is visualised, however, and there is a seemingly deliberate effort to disperse initiative and authority away from any single centre. The Ministry of Finance appears as one actor among several, in spite of its lead role in the MTEF and PRSP processes (Assey, 2001; Tanzania, 2001).

As argued in the Tanzania chapter of the Institutionalisation Study, the Tanzanian proposals could be seen as cumbersome, and pose the risk of a vacuum of authority and initiative. A more specific danger is that the opportunities that may arise for beginning to stimulate and then 'feed' new information demands arising from the MTEF process will be missed. A final question is whether, despite being more open and inclusive in principle, the network arrangement will in practice be more conducive to engaging with stakeholders from the wider society, and campaigning organisations in particular.

At this point, we can speculate about the possible implications of these polar types, as well as other variants that may appear. However, the actual developments in Tanzania and Uganda deserve to be watched closely, and firmer conclusions drawn after a reasonable period of implementation.

## References

- Appleton, Simon (1999), 'Changes in Poverty and Inequality, 1992-1997: Assessing Outcomes for Comprehensive Development Framework', University of Bath, Bath, UK
- Appleton, Simon and David Booth (2001) 'Combining Participatory and Survey-based Approaches to Poverty Monitoring and Analysis', Background paper for Uganda workshop, 30 May – 1 June, Second Draft, 27 May
- Assey, Paschal (2001) 'The National Poverty Monitoring System for Tanzania: Presentation Notes', Dar es Salaam: Vice-President's Office, Aug
- Asiimwe, D. et al., (1997) 'The private-sector activities of public-sector health workers in Uganda', in Sara Bennett and Barbara McPake (eds.), *Private Health Providers in Developing Countries: Serving the Public Interest?* London: Zed Books
- Bevan, David and Geremia Palomba (2000) 'Uganda: The Budget and Medium Term Expenditure Framework Set in a Wider Context', Background paper for Poverty Reduction Support Credit with DFID finance, Oct
- Bierschenk, Thomas, Elisabeth Thioléron and Nassirou Bako-Arifari (2001) 'Institutionalising the PRSP Approach in Benin', Chapter 2 in Booth et al. (2001)
- Bigman, D. and H. Fofack (2000) *Geographical Targeting for Policy Alleviation: Methodology and Applications*, World Bank Regional and Sectoral Studies
- Blackburn, James (2001) 'Control Social – Reflexión Conceptual y Experiencias Internacionales', La Paz: DFID
- Blackburn, James, with Jeremy Holland (1998) *Who Changes? Institutionalizing Participation in Development*, London: Intermediate Technology Publications
- Booth, David (1999) 'Creating a Framework for Reducing Poverty, Institutional and Process Issues in National Poverty Policy: Ghana Country Report', London: ODI, Dec
- Booth, David and associates (2001) 'PRSP Institutionalisation Study: Final Report', Submitted to the SPA, Oct
- Booth, D., J. Holland, J. Hentschel, P. Lanjouw and A. Herbert (1998) *Participation and Combined Methods in African Poverty Assessment: Renewing the Agenda*, London, DFID, Social Development Division, February
- Brown, David, Karim Hussein and Catherine Longley, with Mick Howes (2001) 'Review of Participatory Rural Appraisal in The Gambia', London: ODI
- Club du Sahel (1994) Report presented at the Club du Sahel. Meeting, Le Rouret, France, 1994, quoted in Stephen Devereux and Simon Maxwell, *Food Security in sub-Saharan Africa*, London: ITDG, 2001
- Devereux, Stephen (2001) 'Food Security Information Systems', in Stephen Devereux and Simon Maxwell (eds.) *Food Security in sub-Saharan Africa*, London: ITDG, 2001
- Estrella, Marisol (ed.) (2000) *Learning from Change: Issues and Experiences in Participatory Monitoring and Evaluation*, London: Intermediate Technology Publications/IDRC
- European Commission, DG Development (2000) 'Review of Conditionalities used for the Floating HIPC Completion Point', paper for the SPA Task Team on Contractual Relationships and Selectivity, Brussels, 27 Nov
- Feminist Action Coalition (2001) 'Donors and Government Marginalise Civil Society in the CG Process', Press release, Dar es Salaam: TGNP, 6 Sept
- Foster, Mick (2001) 'Use of Surveys to Improve Public Expenditure Management', London: CAPE/ODI, June
- Foster, Mick and Sadie Mackintosh-Walker (2001) *Sector Wide Programmes and Poverty Reduction*, London: Overseas Development Institute, ODI Working Paper 157, Nov
- Foster, Mick and Peter Mujimbi (2002) *How, When and Why Does Poverty Get Budget Priority: Poverty Reduction Strategy and Public Expenditure in Uganda*, London: Overseas Development Institute, ODI Working Paper 163, Apr
- Gariyo, Zie (2001) 'The PRSP Process in Uganda', Kampala: Uganda Debt Network, Oct

- Gomonda, Nelson (2001) 'Qualitative Impact Monitoring of the Poverty Alleviation Policies and Programmes in Malawi', Presentation to the Second Forum of Poverty Reduction Strategies, Dakar, 10-13 Sept
- GTZ-SPAS (2001) 'An Introduction to KePIM: Kenya's Participatory Impact Monitoring Exercise', Nairobi: Ministry of Finance and Planning and Poverty Eradication Unit, Office of the President
- Hauge, Arild (2001) *Strengthening Capacity for Monitoring and Evaluation in Uganda: A Results Based Management Perspective*, Washington, DC: World Bank OED, Evaluation Capacity Development Working Paper 8, Jan
- Hentschel, J., J. Lanjouw, P. Lanjouw and J. Poggi (2000) 'Combining Census and Survey Data to Trace the Spatial Dimensions of Poverty: A Case Study of Ecuador', *World Bank Economic Review*, vol. 14, no. 1: 147-65.
- Hill, Michael (ed.) (1993) *The Policy Process: A Reader*, New York: Harvester Wheatsheaf
- Holland, Jeremy, with James Blackburn (1998) *Whose Voice? Participatory Research and Policy Change*, London: Intermediate Technology Publications
- Howard-Grabman, Lisa (2000) 'Bridging the Gap between Communities and Service Providers', in Andrea Cornwall, Henry Lucas and Kath Pasteur (eds.) 'Accountability through Participation: Developing Workable Partnership Models in the Health Sector', *IDS Bulletin*, vol. 31, no. 1
- IMF/IDA (1999) 'Heavily Indebted Poor Countries (HIPC) Initiative – Strengthening the Link between Debt Relief and Poverty Reduction', Washington, Aug 26
- Mackintosh, Maureen (2000) 'Informal Regulation: A Conceptual Framework and Application to Decentralised Mixed Health Care Systems' in Maureen Mackintosh and Rathin Roy (eds.) *Economic Decentralisation and Public Management*, London: Edward Elgar
- McGee, Rosemary and Karen Brock (2001) *From Poverty Assessment to Poverty Change: Processes, Actors and Data*, Brighton: Institute of Development Studies, IDS Working Paper 133, July
- Minot, Nicholas and Bob Baulch (2001) 'The Spatial Distribution of Poverty in Vietnam and the Potential for Targeting', Research funded by DFID Poverty Analysis and Poverty Support Trust Fund and World Bank Development Economics Research Group, mimeo, Aug
- Mosse, David, John Farrington and Alan Rew (eds.) (1998) *Development as Process: Concepts and Methods for Working with Complexity*, London: Routledge/ODI
- Norton, Andy, with Bella Bird, Karen Brock, Margaret Kakande and Carrie Turk (2001) *A Rough Guide to PPAs*, London: Overseas Development Institute
- PNUD (2001) 'Propuesta: Proyecto de Apoyo al Control Social de la EBRP', La Paz: UNDP
- Prenushi, G., G. Rubio and K. Subbarao (2001) 'Monitoring and Evaluation', *World Bank PRSP Sourcebook* (Draft for Comments, Apr 2001) ([www.worldbank.org/poverty](http://www.worldbank.org/poverty))
- Reinikka, Ritva and Jakob Svensson (2001) 'Explaining Leakage of Public Funds', Paper prepared for the WIDER Development Conference on Debt Relief, Helsinki, 17-18 Aug
- Robb, Caroline (1999) *Can the Poor Influence Policy? Participatory Poverty Assessments in the Developing World*, Washington, DC: The World Bank
- Roche, Chris (1999) *Impact Assessment for Development Agencies: Learning to Value Change*, Oxford: Oxfam/Novib
- Sahn, David E. (2001) 'Strengthening Quantitative Methods Through Incorporating Qualitative Information' in Ravi Kanbur (ed.) *Qualitative and Quantitative Poverty Appraisal: Complementarities, Tensions and the Way Forward*, Contributions to a Workshop held at Cornell University, March 15-16
- Simms, Christopher, John T. Milimo and Gerald Bloom (1998) *Reasons for the Rise in Childhood Mortality during the 1980s in Zambia*, Brighton: Institute of Development Studies, IDS Working Paper 76
- Tanzania (2001) 'Poverty Monitoring Master Plan', Second Draft, Dar es Salaam

- Thin, Neil, Mary Underwood and Jim Gilling (2001) 'Sub-Saharan Africa's Poverty Reduction Strategy Papers from Social Policy and Sustainable Livelihoods Perspectives', Report for DFID, Oxford: Oxford Policy Management, March
- Tikare, S., D. Youssef, P. Donnelly-Roark and P. Shah (2001) 'Organizing Participatory Processes in the PRSP', *World Bank PRSP Sourcebook* (Draft for comment, April 2001), [www.worldbank.org/poverty](http://www.worldbank.org/poverty)
- Turner, Mark and David Hulme (1997) *Governance, Administration and Development: Making the State Work*, London: Macmillan
- UBoS/UPPAP (2001) 'Report on the workshop held between 30 May and 1 June 2001 at the Ranch on the Lake Hotel, Kampala, Uganda', Kampala: Uganda Bureau of Statistics/Uganda Participatory Poverty Assessment Process
- Uganda (2001) *Poverty Eradication Action Plan (2001-2003), Volume 1*, Kampala: Ministry of Finance, Planning and Economic Development
- van Damme, Wim and Bruno Meessen (2001) 'Sotnikum New Deal, the First Year: Better Income for Hospital Staff; Better Service to the Population', Cambodia: Médecins sans Frontières
- Weiss, Carol (1998) *Evaluation*, Second Edition, New Jersey: Prentice Hall
- Yu Hao, Henry Lucas, Gu Xing-Yuan, Shu Bao-Gang (1998) *Financing Health Care in Poor Rural Counties in China: Experience from a Township-based Co-operative Medical Scheme*, Brighton: IDS Working Paper no 66

## Annex 1: PRSP Monitoring Systems According to the Documents

	INPUT MONITORING with:		MONITORING for timely feedback on implementation processes/INTERMEDIATE OUTPUTS AND OUTCOMES, using:		MEASUREMENT OF FINAL POVERTY OUTCOMES/IMPACTS by means of:	INCREASED ACCESS TO INFORMATION for PRSP stakeholders	USE OF INFORMATION for policy improvement, including diagnostic studies and impact assessment/evaluation
<i>Full PRSPs and JSAs</i>	a) program- or outcome-based budgets within MT fiscal framework	b) tracking of public expenditure/analysis of incidence	a) improved administrative data and reporting/MIS	b) quick and dirty feedback from implementors and beneficiaries	a) comparable household surveys/Census	b) qualitative/participatory assessments	
<b>Uganda</b>	MTEF in place; outcome-oriented budget reform in process	yes + some physical inputs	use of such data required by action matrix, but needs for improvement not specified	not clear, but special surveys mentioned	Several comparable surveys + proposed GIS	biannual Poverty Status Report produced by Poverty Monitoring and Analysis Unit (MoF); but precise institutional arrangements still needed	incentives of line ministries to commission and use studies identified as a challenge; links between costings, outputs and outcomes needs more work
<b>Burkina Faso</b>	linking funding to performance + MTEF discussed in framework of conditionality reform		targets and indicators identified sector by sector with donors; data deficiencies acknowledged	regular stakeholder opinion polls proposed	two comparable surveys exist	commitment to boost dissemination in framework of plan to improve participation in PRSP review and revision	
<b>Tanzania</b>	MTEF in place; budget reform and new financial management system in process, but not highlighted in PRSP	yes, within joint PERs, but not highlighted in PRSP	use of such data required by action matrix, but needs for improvement not specified	participatory monitoring, and monitoring of participation, indicated but not specified	big current survey to improve comparability and disaggregation	institutional framework still problematic	institutional framework still problematic
<b>Mauritania</b>	JSA sees lack of integration of targeted poverty spending with budgetary process as lacuna in reality and in PRSP; program budgets from 02	PRSP recognises accountability improvements essential and a big challenge	details largely lacking	according to JSA	Shortage of reliable recent data; new survey current	unprecedented civil-society participation in PRSP from very low base; adequacy of arrangements for ongoing monitoring unclear	arrangements largely lacking, according to JSA
<i>iPRSPs and JSAs</i>							
<b>Benin</b>	budgetary reform launched in 1999, with outcome-oriented and accountability objectives; will help evaluation of trade-offs and priorities - JSA						in iPRSP, thinking still concerned with design, not yet monitoring; need for feedback to stakeholders noted by JSA

INPUT MONITORING with:		MONITORING for timely feedback on implementation processes/INTERMEDIATE OUTPUTS AND OUTCOMES, using:		MEASUREMENT OF FINAL POVERTY OUTCOMES/IMPACTS by means of:		INCREASED ACCESS TO INFORMATION for PRSP stakeholders		USE OF INFORMATION for policy improvement, including diagnostic studies and impact assessment/evaluation	
	a) program- or outcome-based budgets within MT fiscal framework	b) tracking of public expenditure/analysis of incidence	a) improved administrative data and reporting/MIS	b) quick and dirty feedback from implementors and beneficiaries	a) comparable household surveys/Census	b) qualitative/participatory assessments			
<b>Cameroon</b>					survey database unclear, but last consumption survey 1996; "appropriate statistical mechanism" intended	participatory assessments well reflected in IPRSP	not clear how regional consultations for IPRSP will be followed through		
<b>Central African Republic</b>									
<b>Ethiopia</b>		donor dialogue suggested an effort needed	administrative data to be used and disseminated electronically; no mention of quality issues	targets and indicators predate IPRSP; regarded by some donors as insufficiently specified - no mention of data quality issues	survey data relatively abundant	little national experience in data collection; but several surveys exist, and need for statistics plan recognised	national, regional and local monitoring committees visualised	need for further analysis of existing data to prioritise poverty cases and actions - JSA	
<b>The Gambia</b>	not yet program budgeting	sectoral PERs in 1-2 ministries	setting annual targets, intermediate and outcome indicators by sector still a challenge for some sectors	commitment in principle to learning from NGOs about use of participatory methods	2 surveys exist; comparability uncertain	2 PPAs done but recognised that potential not fully exploited	Coordinating unit SPACO manages targeted programs; needs to extend information role		
<b>Ghana</b>	MTEF and outcome-oriented budgets in place (but set back badly by recent macro-management)		JSA sees case for capacity building in macro statistics; no mention of quality issues elsewhere	CWIQ includes service use, but discussion of monitoring is mainly about outcomes/impacts; used beneficiary and self-assessments in civil service performance improvement not mentioned	Extremely good data in spite of 7-year gap; piloting of district-level monitoring system	PPAs and beneficiary consultations promised	options for deepened diagnostic work not discussed despite existence of capacity		
<b>Guinea</b>	MTEF being extended to all sectors	tracking exercise being introduced to proxy public sector efficacy - JSA	small team in MEF to monitor overall service delivery (decentralised); evaluation contracted out		good use of 2 DHS and Census in view of lack of consumption data since 1994; new survey 01/02	participatory surveys exist	work on determinants, implementation bottlenecks and priorities identified as need by JSA		
<b>Kenya</b>		iPRSP describes a comprehensive and ideally integrated institutional arrangement, including MTEF, high-level expenditure tracking and quarterly cabinet discussions; implementability questionable in view of consultants (JSA not reviewed)			unit in President's office responsible for coordinating quantitative and qualitative evidence; but details given only for statistics	stakeholder committee meeting at least monthly, with reports passed to committee of PSs - same proviso	panel survey raised as possibility		

	INPUT MONITORING with:		MONITORING for timely feedback on implementation processes/INTERMEDIATE OUTPUTS AND OUTCOMES, using:		MEASUREMENT OF FINAL POVERTY OUTCOMES/IMPACTS by means of:		INCREASED ACCESS TO INFORMATION for PRSP stakeholders	USE OF INFORMATION for policy improvement, including diagnostic studies and impact assessment/evaluation
	a) program- or outcome-based budgets within MT fiscal framework	b) tracking of public expenditure/analysis of incidence	a) improved administrative data and reporting/MIS	b) quick and dirty feedback from implementors and beneficiaries	a) comparable household surveys/Census	b) qualitative/participatory assessments		
<b>Madagascar</b>					light surveys only; full one intended	participatory impact assessment and community monitoring recommended by JSA	broad commitment to work with donors on collection of and reflection on data	study partnership NIS + Cornell etc.
<b>Malawi</b>	PER used for 00/01 budget		core targets and system to monitor indicators is needed - JSA	consumption survey just completed			in iPRSP, thinking still concerned with design, not yet monitoring	
<b>Mali</b>	Responsibilities split between Finance and Planning; since 1998, gradual introduction of program budgeting alongside classic system		implementation as well as poverty status covered by visualised system; indicators need to be prioritised - provision by line ministry stats depts not raised as problem	last consumption survey 1994; annual light surveys and series of full ones intended	1997 national survey of subjective perceptions of poverty		as yet, little understanding of major determinants of poverty; descriptive poverty analysis that doesn't facilitate policy choices; shortcuts to improved diagnostics needed - JSA	
<b>Mozambique</b>			monitoring strategy being elaborated - iPRSP; limit the number to capacity choosing those that best reflect progress against known constraints: line ministry statistics capacity already thin - JSA					
<b>Niger</b>	fiscal reporting has been inaccurate and untimely; MTEF and gradual transition to program budgets in key ministries visualised		regularly updated data banks exist, but duplication problems recognised; quality not mentioned	"government is encouraged to devise a mechanism for monitoring the actual implementation of the PRSP, and regularly evaluate domestic stakeholders' independent assessment of the progress realized" - JSA	Ambitious program of surveys; last consumption one 93, but DHS etc.	PPA intended	Poverty Research Institute within Ministry of Planning to be established; macro-modelling work continuing	
<b>Rwanda</b>	MTEF recently introduced	PE tracking survey intended			no household survey since genocide; CWIQ and use of NGO surveys intended	new Poverty Observatory to work with University		
<b>Sao Tome and Principe</b>					data sparse and weak; first survey in several years 00	monitoring committee with multiple roles outlined; detail lacking		
<b>Senegal</b>	budgeting by objectives in pilot ministries from 01	sectoral PERs in 3 ministries	survey of public service quality and governance leading to benchmarks for public sector reform, pre-dating iPRSP	Baseline lacking; new survey reporting 01	need for ongoing PPAs recognised, according to JSA	Will require time and effort, according to JSA		
<b>Zambia</b>		prioritising and costing identified as weak area, reflecting lack of MTEF		Relatively strong survey database; but monitoring only briefly addressed, as noted in JSA	Past participatory assessment work not reflected in iPRSP or JSA			



## Annex 2: The PEAP, PAF Incentives and the ‘Missing Middle’<sup>18</sup>

### The Poverty Action Fund

Priority areas within the budget were first identified, and successfully protected from cuts when resources fell short, when Priority Programme Areas were introduced in the mid 1990s. These included some key poverty priorities (such as primary education), but also covered other national priorities such as the main road programme. The approach to protecting poverty relevant expenditures was reinforced when the Poverty Action Fund was introduced in 1998/99. The PAF identifies those areas of spending within the budget which are particularly important for poverty reduction, and has planned and implemented a major restructuring of the budget, almost doubling the share of poverty spending from 17% in 1997/98 to 32% in the 2000/2001 budget, a share which Uganda expects to sustain.<sup>19</sup> This was achieved by earmarking HIPC savings and donor commitments against additional spending on PAF budget lines, with additionality measured in terms of increases from 1997/98 levels.

The PAF has been extended since its inception in 1998/99, and now includes all of the major poverty sensitive expenditures identified within the Government poverty eradication action plan. For example, it includes primary education, the delivery of an essential package of primary and preventive health services, clean water and sanitation, rural feeder roads, some agricultural services, and expenditures on monitoring and evaluation of poverty programmes. The categories are based on the thorough analysis of the poverty problem, and what Government can do to reduce it, which is captured in the PEAP. The criteria for eligibility for inclusion in the PAF were refined and promulgated in 2001 (Box 4). They are quite demanding, and are based on requiring a direct link between the specific expenditures and benefits to the poor. It is not clear that all of the existing PAF eligible spending categories comply fully with these criteria. It is also at least debatable whether the poor benefit most from direct spending to provide them with services, or from spending which generates economic growth needed to sustain those services. The issue is acknowledged within Government, and there has been some discussion of whether a category of indirectly poverty reducing expenditure should also be recognised. The main defence for the approach taken is that directly poverty reducing expenditure started from a low baseline share, and there was a strong case for addressing a previous anti-poor bias in the pattern of expenditure.

#### Uganda Poverty Action Fund: Eligibility Criteria

For an intervention to qualify as a PAF programme it must meet all of the following four criteria:

It is in the Poverty Eradication Action Plan.

It is directly poverty reducing (raising incomes or improving the quality of life of the poor).

It is delivering a service to the poor (it addresses the needs of the poorest 20%, and is accessible to them recognising barriers of e.g. cost)

There is a well developed plan for the programme (a costed strategy with clear monitorable targets)

Though PAF expenditures are fully integrated within the budget, the arrangement ensures that they are ring-fenced and protected from budget cuts. If resources allocated to a PAF eligible budget line cannot be fully spent within the year, they must either be reallocated to other PAF eligible expenditures or saved. They cannot be used for non-PAF spending. In addition to specific donor and HIPC funds added to the 1997/98 baseline figure, Government has also substantially increased the size of the PAF from its own resources, and the MTEF envisages further increasing the share funded by Government .... Government has consistently met the commitment to release funding for the PAF budget lines more or less in full, even when non-PAF expenditures were being severely cut. The protection of PAF expenditures against budget cuts applies equally to the donor and GOU funded share of the total. Thus, the introduction of the PAF from 1998/99 gave the MFPED not only a mechanism to demonstrate to outside constituents that additional resources were indeed going in to poverty programmes, but also a vehicle which MFPED could use to encourage Line

<sup>18</sup> Extracted from Foster and Mijumbi (2002: 7-8, 32).

<sup>19</sup> Bevan and Palomba (2000). Though the programmes defined in the PAF have expanded over time, the figures quoted are consistent, and relate to the share in total spending of those programmes currently defined as eligible for the PAF. The percentages are calculated as shares of total expenditure excluding donor project expenditures.

Ministries to prioritise poverty in their sector budget bids, because of the protection which PAF programmes received. [...]

The powerful position of the MFPED within the budget planning process has provided an opportunity to both challenge and support Departments to set out, in the annual sectoral Budget Framework Papers, analysis on how they propose to address poverty issues and the priorities of the PEAP. The budget process is organised around Sector Working Groups, who are responsible for preparing the BFP and budget proposals for each sector. These involve donors as well as Government officials and in some cases NGOs. An innovation since 1999 has been to also establish a cross-cutting Poverty Eradication Working Group. This involves MFPED Poverty Monitoring and Analysis Unit and the PAF Secretariat plus the Ministry of Gender, Labour and Social Development, some NGO representatives, and donors. It is chaired by a senior MFPED official. The main role has been to review the proposals of the sector working groups, to ensure that they focus on key poverty issues including gender, the needs of the poorest 20%, regional inequalities and empowerment through provision of information on entitlements to services. The aim is to both help sector groups sharpen their poverty focus, and advise the Director Budget on poverty aspects of allocation decisions.

One specific role of PEWG is to advise the PS on which expenditure categories within the budget should be admitted to the protections afforded by the Poverty Action Fund.

### **Annex 3: Input Tracking and Uganda Schools<sup>20</sup>**

PRSP monitoring should encompass the tracking of financial and other inputs into government programmes that purport to reduce poverty. This could be viewed as an even more elementary step than monitoring intermediate outputs and outcomes and final outcomes/impacts. Neglect of this issue is another potential danger of the current emphasis on being more outcome-oriented.

But this is on the understanding that monitoring financial inputs is not just a question of comparing budget allocations and disbursements. Often data of these kinds are the best that can be obtained. However, from a poverty-reduction perspective a key question is whether funds disbursed from the central economic ministry and earmarked for expenditure on, say, primary-school learning materials, reach their destination and are able to be used in the intended way.

A deservedly famous, World Bank-supported survey series in Uganda demonstrates the scale of the likely losses from different kinds of 'leakages' of such funds. It also shows how an appropriate monitoring instrument, combined with government willingness to take action in the light of the results, can make a substantial difference to the prospects of better government services being delivered to poor people.

The survey collected data comparing the funds disbursed by central government with the resources actually received by 250 government primary schools over the period 1991-95. This produced a unique panel data set with which to study the level and determinants of leakage problems, as well as an invaluable immediate input into Uganda government policy. On average, the studied schools received only 13 per cent of the (then quite modest) funds contributed by central government to their non-wage expenditures. 'The bulk of the allocated spending did not reach the intended beneficiaries and was either used by local government officials for purposes unrelated to education or captured for private gain' (Reinikka and Svensson, 2001: 1). Moreover, school characteristics affected the scale of the leakage, indicating that small, badly-staffed schools in poorer areas did particularly badly.

The findings from the surveys had an immediate impact on government policy. The Ministry of Finance began publishing and publicising the funds disbursed to districts, and taking other actions to enhance the schools' bargaining power vis-à-vis the district authorities. It became generally more assertive in overseeing local spending. Four years after the initial survey series, it appeared to be the case that over 90 per cent of the intended capitation grants was reaching schools, the budget allocation having also increased in real terms. This has made a substantial difference to Uganda's formerly very run-down primary-school system.

The experience suggests that tracking studies (also referred to as quantitative service-delivery surveys) are an indispensable instrument that should be included in almost any arrangement PRSP monitoring. Similar exercises are reported to be under way in several countries, including Ghana, Honduras, Macedonia, Mozambique and Tanzania.

---

<sup>20</sup> Based on Reinikka and Svensson (2001).

## Annex 4: Input Information Matrix for Mozambique<sup>21</sup>

<i>PURPOSE</i>	<b>Information needed</b>	<b>Source and instrument</b>	<b>Information gaps</b>	<b>Short-term solution</b>	<b>Medium-long term solution</b>
Programmed aggregate expenditure is based on a sound forecast of expected resources.	National income and revenue forecasts. Donor plans.	Research Office. Ministry of Cooperation / Department for International Cooperation, MPF.	Donor information on plans patchy, unreliable. Lack of adequate macro-economic and revenue forecasting models.	Develop appropriate macro-economic and revenue forecasting models and use these as basis for setting of aggregate expenditure limits. Enforce hard expenditure limits for both internal and external resources.	Establish independent mechanisms for donor reporting to capture programmed expenditures and execution.
Actual spending is in line with actual resources and agreed limits.	Treasury management system keeps track of account balances, revenue expected, phasing of expenditure needs.	Treasury Directorate and Public Accounts Directorate, through quarterly reports on expenditures.	Proliferation of accounts, off-budget revenues and expenditures. Poor timeliness in updating budget revisions, esp. at Provincial level.	SWAps improve integrated planning at sector level. Improvement in timeliness of presentation of quarterly expenditure reports and updating of budget revisions..	Consolidation of accounts within Treasury system, computerisation, improved budget coverage.
Government policies reflect needs and priorities of the poor.	Information on the characteristics of poverty. Information on the poor's priority concerns.	Household Budget and CWIQ surveys by INE.	No systematic participatory analysis of poverty.	Implement Participatory Poverty Assessments on a rolling basis.	
Sector expenditure programmes reflect government priorities and are realistic.	Government Programme, PARPA and Sector policies inform priorities. Monitorable performance indicators at output and, ideally, outcome level, reflecting PARPA and Government Programme. Internal costing of sector programmes verifies realism of proposals.	Sector Programmes and annual budget and PES submissions.	Lack of clearly defined strategies in some sectors. Lack of specified performance indicators, used as the basis for appraisal of alternative activities. Lack of internal costing of programmes.	Definition of agreed performance indicators for each sector, to be monitored annually in PES proposal and reports. Sector expenditure reviews, and SWAp appraisal and joint reviews improve analysis. SWAp management and reporting arrangements address programming needs at sector level.	Development of formal mechanisms for benchmarking service providers.
Budget and MTEF allocates resources to national priorities.	Government Programme and PARPA informs priorities, including specification of resource allocations . Data on actual spending to inform cost estimation for targets.	DNPO, through PARPA, MTEF and Budget.	Budget structure does not classify and allocate funds to identifiable priorities, making cost estimation, targeting difficult, and budgeting on any other than an incremental basis difficult. Donor flows and many assigned revenues outside budget.	Periodic sector expenditure reviews of priority sectors to determine structure of sectoral expenditure and undertake cost analysis. Definition of simple interrogation criteria for review of sector budget proposals. Identify and register all off-budget sources of internal financing. Establish specific reporting mechanism for assigned revenues.	Establish independent mechanisms for donor reporting to capture programmed expenditures and execution Dissaggregation of budget classification to sub-sector level. Revise legislation covering assigned revenues, eliminating unnecessary assignments.

<sup>21</sup> By Mick Foster, Centre for Aid and Public Expenditure, Overseas Development Institute, June 2001.

<i>PURPOSE</i>	<b>Information needed</b>	<b>Source and instrument</b>	<b>Information gaps</b>	<b>Short-term Solution</b>	<b>Medium-long term solution</b>
Actual spending pattern reflects the planned budget.	Data on budget and actual spending, classified to reflect the purpose of the spending.	Treasury Directorate and Public Accounts Directorate, through quarterly reports on expenditures. Sectors' Administration and Finance Departments.	Difficulties in verifying budget execution and compliance on a timely basis. Inadequate disaggregation of reporting on budget execution, making it difficult to identify links to priorities. . . . . Reports do not reveal pattern of expenditure	Periodic sector expenditure reviews of priority sectors to determine structure of sectoral expenditure and undertake cost analysis.	Consolidation of accounts within Treasury system, computerisation, improved budget coverage.
Allocated funds reach the intended target groups.	Data on where funds were spent, where major centrally procured items were used.	No mechanism currently in place.	Reports do not reveal pattern of expenditure	Sample tracking studies identify how funds are used, down to facility level.	Decentralisation of responsibility for financial management to field level and definition of service delivery units as budget holders. Changes to resource allocation process – such as conditional grants – so that resources can be channelled directly to intended users.
Funds are used for the intended purpose, and accounted for.	Accounting and audit reports, independent verification of level and quality of service delivery.	Public Accounts Directorate, Inspectorate of Finances and Administrative Court, for paper based systems. No mechanism in place for verification of application of funds or technical audit.	Incomplete accounting, audit queries not followed up, weak financial management capacity.	Tracking and service delivery surveys can reveal nature of abuses, including extent of illegal charging and misappropriation of goods and services which may not be detected by formal accounting.	Strengthen accounting, audit, and financial management systems. Provide information to users and NGOs through the media to help them hold officials to account. Development of formal mechanisms for benchmarking service providers.
Spending achieves the intended outputs and outcomes.	Information on what was achieved.	Sector reports and annual PES, using administrative channels. Household and CWIQ surveys by Statistics Institute.	Limited administratively collected data, incomplete and of unknown accuracy. No systematic information on those not receiving services. No systematic, independent verification at service delivery level.	Service delivery surveys indicate what access people have to services, satisfaction with them, differences between priorities of officials and those intended to benefit.	Decentralisation of responsibility for financial management, benchmarking.

## Annex 5: Some Perils of Income-Poverty Measurement: The Gambia

Reduction of the poverty head-count indicator (the percentage falling under one or more poverty lines) is a central focus in most PRSPs. There is, therefore, a clear need to be confident that the way this is measured is reliable. A robust and transparent approach to the estimation of the poverty head-count is essential. This is not always achieved.

An instructive example may be seen in the published poverty head-count estimates for The Gambia, which were recently used in the development of the country's interim PRSP. The following table illustrates apparently dramatic shifts in the proportion of the population below two poverty lines as estimated from the three existing national household income and expenditure surveys. The first such estimate was made by the ILO on the basis of a 1989 survey implemented by UNICEF. The second and third estimates were undertaken by the Central Statistics Department (CSD) of The Gambia, using what they perceived to be the same methodology.

### The Gambia: percent of population below poverty lines

Year	Food poverty line			Overall poverty line		
	Banjul	Urban	Rural	Banjul	Urban	Rural
1989		33	44		64	76
1992	5	9	23	17	40	41
1998	21	42	71	54	62	80

*Sources:* 1992 Household Economic Survey and 1998 National Household Poverty Survey reports, Central Statistics Department, The Gambia.

As can be seen, food poverty in rural areas is reported to have *halved* in the three years between 1989 and 1992, and more than *trebled* in the six years from 1992 to 1998.

For present purposes, the most interesting observation is that almost all of the discussion around these estimates related to the underlying causes of the initial decrease and subsequent increase in poverty prevalence. The military coup of 1994 was an obvious starting point, followed by declines in world prices for the major export crop, groundnuts. There was almost no discussion of the possibility that the head-count indicators themselves might be at fault – that they were less ‘comparable’ than suggested. This oversight is especially interesting, given that the GDP estimates over the 1992-98 period give no indication of the kind of economic collapse which would have to have occurred if the increased in poverty prevalence were genuine.

In fact, both the initial decline and subsequent rise in reported poverty were substantially affected by very simple problems associated with the definition and pricing of the basket of ‘minimum food requirements’ used to set the food poverty line. In 1989, the inclusion of the price of the very expensive barracuda in calculating an average price for fish in this basket inflated the cost of this item by around 400%. Given that the basket contained only six items, this introduced a considerable upward bias to the food, and hence overall, poverty lines. This would easily explain away the apparent fall in poverty incidence by 1992.

In 1998, the price of milk, another item in the basket, was set at 22 Dalasis, compared with the 4 Dalasis of 1992. Although there may be alternative explanations, it would appear almost certain that the milk product priced in 1998 was not fresh milk but the much more expensive tinned or dried milk. The impact of this substitution was even more dramatic than that of 1989. The 1998 food poverty line was raised by almost 90% over that of 1992, though the food Consumer Price Index over the same period increased by only 19%.

Given the nature of the income and expenditure distributions (highly skewed and with a large majority of the population clustered around the poverty line), the biases introduced in 1989 and 1998 were sufficient to greatly inflate the populations in poverty in these years and distort the poverty trends.

Discussion of the above problems with the Statistics Department produced an illustrative example of the potential for being ‘precisely wrong’ in the construction of indicators, rather than ‘approximately right’. A

great deal of time and effort had clearly gone into the poverty-line estimates. The Nutrition Unit of the Department of Agriculture had met frequently to agree the precise composition of the food basket and the 'adult equivalent unit' (AEU) weights to be used in deciding the food needs of individual household members based on their age and sex.<sup>22</sup> The prices unit of the Statistics Department had gone to great lengths to estimate appropriate prices, applying detailed adjustments for transport costs and distribution margins to the urban-based prices routinely collected for the CPI.

The overall impression therefore is not one of general carelessness. Rather, the attempt to follow the 'textbook' approach to the problem had lost sight of the essentially subjective and arbitrary nature of poverty lines, and their sensitivity to the assumptions made at every stage. Attention had focused on the precise measurement of poverty at a certain point in time, rather than on capturing reasonably well changing levels of poverty over time. To achieve the former objective a complete re-estimation of the poverty line had been undertaken, as opposed to a more straightforward and readily interpretable adjustment of the previous line to allow for price inflation. The policy usefulness of the information had suffered badly as a result.

---

<sup>22</sup> It was interesting to note that no one had questioned the application of these weights – based on nutrition requirements – to determine the “needs” for accommodation, travel and clothing used in construction of the overall poverty line.

## Annex 6: Geographical Information and Targeting in Vietnam<sup>23</sup>

In Vietnam, local officials of the Ministry of Labour, Invalids and Social Assistance maintain highly disaggregated lists of 'poor and remote' communes. They then decide which households within these communes are eligible for social welfare benefits. As in China, there is much debate about the validity of these lists, and the process of list construction and maintenance is somewhat obscure. In Vietnam (though possibly not now in China) the great majority of those below the poverty line live outside these designated areas, and thus the sensitivity of this approach to poverty designation is fairly low. The probability of classifying a given poor person as non-poor, using only the criterion of living or not living in a poor commune, is around 80%.

Following the methodology adopted by Hentschel et al. (2000), the geo-coded 1998 Vietnam Living Standards Survey of 6,000 households was used to fit a log-linear regression model to household expenditures, based only on that set of variables which it had in common with the 1999 census. This model was then used to predict expenditures for a nationally-representative 3% sub-sample, allowing poverty-status classification of 534,139 census households. By using this much larger data set, reasonably robust poverty head-count estimates can be made for the 61 Vietnamese provinces.

The exercise then attempted to consider whether the cost-effectiveness of geographical targeting could be improved using additional readily-available indicators of household socio-economic characteristics. Using assessment procedures based on the sensitivity and specificity criteria discussed in the main text of this report, demographic, housing quality and durable asset ownership indicators were found to greatly enhance the value of classification by location alone. The number of children under 15 was a good predictor of food poverty, and floor type and radio/television<sup>24</sup> ownership predicted both food and overall poverty status. The overall results suggest that geographical identification of priority areas, linked to a small number of readily-observable household-level indicators (regionally or locally determined) could play an important role in poverty monitoring and resource targeting.

---

<sup>23</sup> Based on Minot and Baulch (2001).

<sup>24</sup> Perhaps surprisingly, but consistent with findings in poor rural China, failure to own a radio or television proved highly correlated with poverty. Around 53% of households in Vietnam now own a television.



## Annex 7: Payment by Results? Cambodia<sup>25</sup>

Working with public health officials in a district in Siem Reap province of Cambodia, Médecins sans Frontières (MSF) have introduced a performance-based salary system, covering not only the hospital and health centres, but also the district administration. Contrary to previous practice, they have deliberately opted to ‘purchase’ the cooperation and good will of local staff.

The situation addressed by the project was one that is familiar in many countries. The basic elements of a health service are in place. Following the catastrophic Khmer Rouge period, buildings have been renovated, equipment replaced and a new generation of health workers trained to at least a basic level of effectiveness. With the help of a range of donors and NGOs, facilities are supplied with adequate quantities of essential drugs. However, the hospitals are almost empty and health centres treat the minor problems of a trickle of outpatients. Consultation rates are less than 0.3 visits per person per year. Health workers, both qualified and unqualified, are treating patients, often with publicly supplied drugs, but only as ‘private practitioners’ on a fee-for-service basis. Health information is used as a means by which the outflow of drugs, materials and staff time from the public system is disguised.

The key factor in this state of affairs is simply one of staff motivation. The salary of a doctor is around US\$12 per month. Around 50% of fee payments at public facilities can be used legally to increase staff incomes, but low utilisation means that the amounts raised are minimal. It is estimated that health workers need at least US\$50 to meet their basic living costs. Thus they adopt a variety of ‘coping strategies’, many of which make use of their access to public facilities and drug supplies. Moreover, local health administrators are in the same situation and behave in a similar fashion, sometimes engaging in joint illicit activities with the staff they manage.

The problem appears intractable. Government cannot dramatically increase health-service salaries independently of those of other civil servants. It certainly cannot afford to increase salaries across the board. Donor agencies are extremely reluctant to become involved in salary payments. A downward spiral has therefore developed, linking low staff incomes, poor quality service, low utilisation, minimal fee income and lack of funds for staff bonuses.

With the agreement of the Ministry of Health, MSF established what they describe as a ‘New Deal’ with district health workers. They essentially asked all staff members how much they would need to be paid in order to do their jobs as specified in their contracts. They then negotiated a bonus-for-service-delivery package that was agreeable to the great majority (established by anonymous voting). Given the level of government salaries, these bonus payments are now by far the most important component of staff incomes. Of particular interest for present purposes are the systems established for monitoring compliance with the New Deal contracts.

Each component of the district health service – hospital, health centre, administrative office – was treated as an autonomous unit. Each established an elected committee to handle relations with MSF. These committees took responsibility for monitoring and ensuring contract compliance by the staff within their units. While some bonus payments were based on personal performance, others were based on the collective performance of the unit, *including fulfilment of its monitoring, reporting and supervisory duties*. Annual audits, spot checks by local consultants and exit surveys of users were used to confirm that this activity was appropriately carried out. The risk of losing the collective bonus encouraged staff to bring pressure to bear on any of their colleagues who was not meeting contract requirements, *including reporting requirements*.

As indicated above, the New Deal was extended not only to service facilities, but also to the district administrative office. Among their contract responsibilities were: timely disbursement of budgeted funds to facilities; scheduled delivery of essential drugs and commodities; supervisory visits; and collection, analysis and reporting of facility data. Again, audit and spot checks were used to assess contract compliance. Interestingly, during the first year of operation the facilities agreed to support the MSF payments by passing a small proportion of fee earnings to the district office if drug deliveries arrived on time. To a limited extent

---

<sup>25</sup> Based on van Damme and Meessen (2001).

the previously strict hierarchical relationship between administration and facilities took on some of the characteristics of one linking a service provider and purchaser.

The exercise is now in its second year and does appear to have achieved a remarkable breakthrough in circumstances where previous reform attempts have made little impression. It has not proved wholly successful, particularly in terms of increasing the technical quality of care. A complex situation has arisen with the district office, whereby facilities involved in the New Deal are apparently less well funded than those that are not. This is probably because officials are using the less transparent accounting systems of the latter for their own benefit.

Sustainability remains a central issue – is there an ‘exit strategy’ for MSF that will leave the system intact? Overall, however, the key elements of contracting, collective responsibility and ‘supervising the supervisors’ (ensuring that higher-level staff are effectively monitoring and regulating those at lower levels) appear to offer interesting possibilities.

## **Annex 8: The Value of Formal Systems: Chinese Village Doctors**

This annex describes an approach to the supply-side problem of administrative data within the health system of China. Although the situation in China at first appears radically different from that of sub-Saharan Africa, the essentials of health care provision are not dissimilar.

Following the economic reforms, the former 'bare-foot' doctors have become, or been replaced by, 'village doctors'. These typically have a qualification equivalent to those of health extension workers in Africa and provide curative health care on a strictly fee-for-service basis. However, they often receive a small proportion of their income under contractual arrangements with county governments for the provision of preventive work, mainly immunisation and ante-natal services. In recent years the Chinese government has encouraged the establishment of prepayment mechanisms, usually referred to as Cooperative Medical Schemes or CMS. An evaluation of schemes in one poor county (Yu et al., 1999) indicates the potential value of establishing formal monitoring arrangements, even where the institutional framework and capacity for using monitoring information is very weak.

In the villages studied, the cost of joining the CMS was just 5 yuan, around US50 cents per year. Though it was never stated, it seemed clear that this low fee indicated the lack of trust that villagers had in the sustainability of the scheme. Though membership was in principle 'voluntary', this is a complex concept in China, and all households were 'given' membership by the village committees, which used village funds for this purpose. The action of the committees was almost certainly a response to pressure from higher-level officials, rather than a genuine belief in the value of the prepayment system. Keeping the membership fee to a minimum was probably intended to mute protests against the effective 'imposition' of the CMS.

Given the inauspicious nature of its introduction, it was surprising to find that the CMS appeared, at the end of its first year, to have had a limited beneficial impact on health care within the villages. Evaluation results suggested that it had provided at least a useful first step towards more rational drug use by village doctors, controlling the growth of health-care costs and encouraging the provision of additional services. This outcome appeared to result from the establishment of a performance-related bonus system (even though very limited in scope) and the introduction of a simple but apparently useful monitoring procedure. Village doctors charged only for drugs when CMS members sought outpatient care. They could claim reimbursement for registration, treatment and injection fees from the CMS using their medical notes and prescription forms. The CMS manager would collect these from village health stations at the end of each month for examination, and reimbursements would be made to the doctors some ten days later.

Prior to the implementation of the CMS, the village health station maintained few records. There were no medical notes on outpatient visits, and no invoices or receipts for drug prescriptions and fees. For CMS purposes, a special prescription form was introduced which combined these items, recording information which included the patient's name, sex, CMS card number, diagnosis, prescribed drugs, and fees. One copy was kept by the village doctor and another was handed to the CMS management committee to claim reimbursement. This form was welcomed by CMS members, who indicated that it helped them understand their illness, treatment, and outpatient fees.

In principle, it also provided a management tool which could be used to monitor utilisation and treatment, providing a potential basis for regulating both provider behaviour and outpatient fees. In practice, once reimbursement had been made, the forms were simply filed away by the CMS manager and never used again. However, the very existence of such a system, and the possibility that it might be used against them, seemed to have persuaded the village doctors to modify their prescribing behaviour and attempt to recoup the associated loss of income by offering additional services. It is of course doubtful if this situation could persist for very long, if no doctors were ever challenged.

It is also important to note that the motivation of village doctors in the above example stems from the status that they acquire by being designated as the main health care provider in the village and the consequent fees which this generates. They do have something to lose if the village committee decides to replace them. There is an element of competition in that other members of the community could be trained, with a delay of around three months, to take their place. There is a 'balance of power' situation within which negotiation between providers and communities can take place.

## Annex 9: Community Monitoring of Service Provision: Bolivia<sup>26</sup>

One interesting attempt to promote effective provider-community partnerships through the generation, analysis and use of information has been pioneered by Save the Children and Johns Hopkins University in a USAID-funded pilot project in Bolivia. Communities and service providers have worked together to develop a community health information system, 'SECI' (*Sistema Epidemiológico Comunitario Informático*). This is intended to provide data that they can use collaboratively to make decisions, set priorities, plan activities and monitor progress.

The rural population concerned is primarily made up of a large number of remote, poor communities. Agricultural production involves a struggle against poor quality soil and a harsh environment. Health status is poor, with under-five mortality rates around 100/1,000 and maternal mortality rates 400/100,000.

The National Health Information System (SNIS) in Bolivia follows a very traditional pattern. Data originates at health facilities and is transmitted upward in summary form through districts and departments to the national level. It is not designed to illuminate the health situation and service needs of individual communities, but to provide a basis for national health planning and resource allocation – typically through the use of set formulae. There have been attempts at encouraging participation in this process but only to the extent of providing access to information via community representatives.

The SNIS is facility-based and does not therefore record health-related events in the community, including births, deaths, pregnancies and illness if these do not involve a facility or associated health workers. The SECI was intended to complement the SNIS with non-facility-based data to provide a more complete picture of community health. Implementation of the system was intended to initiate communication between participating communities and providers and increase the ability of both to analyse and use information to address community health problems.

Participatory methods were used to consider health concepts and health problem identification. They were also employed to explore a range of necessary skills, including the interpretation and dissemination of quantitative information, numeracy, graphics, and decision-making techniques. This fed into the agreed design for the information system, determining its various components and the procedures for information gathering, analysis and dissemination.

The SECI combines health-care data collected by community health promoters and health-service providers, using simple forms and maps. Data presentation is usually in the form of graphics which can be readily interpreted by all members of the community, both literate and illiterate. Analysis is focused on trends over time and the extent to which progress is being made towards meeting the agreed objectives. This is then used to discuss alternative resource-allocation decisions as required.

The project appears to have sustained interest with community members. The regular community meetings on health information are reported to be well attended. Providers and communities have acted together to raise additional funding from local government. Community pressure ensured that a hospital received its full budget allocation following meetings with a district nurse who explained that this was the cause of continued charges for services to children under five. Traditional birth attendants whose deliveries were classified as 'risky' by the community agreed to undertake formal training in return for reclassification as 'safe'. Health-service utilisation indicators appear to have increased substantially. For example, immunisation rates for children under five are reported to be almost three times the regional average.

---

<sup>26</sup> Based on Howard-Grabman (2000).

## Annex 10: Disseminate First, Monitor Later<sup>27</sup>

The Education Management Information System (EMIS) component of DFID-funded education projects in Cambodia and The Gambia has adopted a radical strategy towards design and implementation that seems to have succeeded where many others have failed in engaging the attention of administrators.

The main problems that this component was designed to overcome were those normally associated with local administrative reporting systems. Officials regarded the preparation and transmission of data to central authorities as a disagreeable chore, which had no particular relevance to their substantive activities. Introduction of desk-top computers had improved the legibility of returns but done little to enhance their content in terms of either reliability or timeliness.

Traditionally, the introduction of a new information system would begin with a 6-12 month review of existing practices, probably involving a series of workshops to discuss the management information 'needs' at various administrative and service-delivery levels. This would be followed by a further lengthy period during which detailed procedures and reporting forms would be specified and designed. Pilot exercises would then trial the new system, which would go through further stages of review and modification, prior to gradual full scale implementation. A new health management information system was being introduced in The Gambia under a World Bank project at the same time as the EMIS, and adopted very much this strategy. It is still under discussion.

The EMIS project team, however, decided to bypass most of the usual preparatory stages. A decision was taken at the start of the project that a computer disk containing the desired information database, together with software which would provide 'user-friendly' access, should be distributed to local administrative heads within three months. It was accepted that this implied both that the content of the database would be largely determined by a small number of senior officials in limited discussions with the consultants, and that the quality of the data, particularly in term of completeness, would initially leave much to be desired. A judgement was made that the priority should be to rapidly disseminate whatever reasonably reliable and relevant information was available centrally *to* local offices. The aim was deliberately to reverse the normal practice which typically involved requesting information *from* those same offices.

The initial favourable response of local education administrators appears at least in part to have been prompted by a simple curiosity. For the first time they had easy, computer-based access to time series information on students, teachers, and financial flows for the schools in their area. Moreover, they could compare their own situation with that of any other area covered by the project.

Not only did they demonstrate interest, but to some extent initiated the next stage of the process. They complained about the limitations of the information they had been given. They were concerned that their data was in some cases less well represented than that of others. They asked about information that was not yet included in the system. This prompted the establishment of a virtuous circle. It was pointed out that the quality and range of the information they would receive in future was entirely dependent on the quality of data they and their colleagues recorded and submitted.

The EMIS is now disseminating information on CD every six months. Recent data is much more complete and basic national, regional and district performance indicators can be calculated and provided on the same disk. Some districts are filling in the gaps for previous years. The system seems to be retaining the interest of administrators thus far. It remains to be seen if it will be sustainable in the medium to long term.

---

<sup>27</sup> Based on Russell Craig, personal communication 2001.

## **Annex 11: Market Information Systems**

Famine in the Sahel and Horn of Africa led to the establishment of food security 'early warning systems' in the highest-risk countries. One key component of these involved the routine monitoring, typically weekly or monthly, of local markets. As a minimum, this generated flows of information on the wholesale and retail prices of the main traded agricultural commodities. In some cases data on quantity flows and sources of supply for selected commodities are included. With the liberalisation of agriculture, the number of such systems has increased substantially to monitor the efficiency of local markets and assess the need for intervention. In many countries, including Zambia, Tanzania and Ethiopia, the basic information is widely disseminated via radio, television and newspapers, to producers, traders and consumers.

An early review by the Club du Sahel (1994) favourably assessed the market information systems in seven countries. Data-collection and processing techniques were considered appropriate, and dissemination in most cases reliable, accurate and reasonably timely. This is one of the areas in which there should be few capacity limitations on the quality of information. A relatively small number of reasonably competent and diligent staff are needed. Apart from the relevant government agencies, the information was seen as useful mainly to traders (and NGOs) who could move stocks around in response to price signals. Some producers, who were otherwise dependent on traders for market information, reported that they were able to negotiate better prices.

Where market information systems exist, it would seem rational to seek ways of integrating them into the PRSP monitoring process. Poor households, particularly those in more remote areas, are most at risk from segmented markets and the associated potential for exploitation. The use of price indicators would be particularly relevant where poor households are heavily dependent on income from a limited number of cash crops. In The Gambia, for example, groundnut-farming households, who are heavily dependent on income from that crop, account for a substantial majority of those below the food poverty line. An exercise is currently under way to estimate the income and expenditure effects of price movements on this primary target group of poverty reduction strategies.

## Annex 12: Service Delivery Surveys<sup>28</sup>

Service Delivery Surveys enable information to be collected in a statistically valid way on the coverage of Government services, indicators of their quality, and evidence on specific problems and constraints which can directly inform future policy priorities.

Uganda intends to place the conduct of regular service delivery surveys at the centre of its strategy for improving public services. The findings of the National Service Delivery Survey recently carried out by the Ministry of Public Service will be utilised to establish a baseline, goals and targets for service delivery and measures of client satisfaction. The findings have been publicly disseminated and will be used as an instrument for setting service delivery improvement goals and targets and developing new evaluative approaches. In future, the annual conduct of national service delivery surveys will be carried out by the Uganda Bureau of Statistics and the findings are expected to act as a barometer of changing levels of service reach, coverage and client satisfaction.<sup>29</sup>

Approaches to conducting Service Delivery Surveys vary. CIET of Canada have carried out such surveys in a number of countries,<sup>30</sup> and have developed a methodology based on:

- Interviews with a sample of households, selected to be statistically representative. This included an attempt to identify poor households separately, by two indicators: income as reported (data which is unlikely to be very reliable), but checked against type of house construction.
- Interviews with service providers and key informants.
- Institutional review schedules to be filled out by the enumerator with key informants, covering details of facilities and services at each site.
- The service delivery survey may be supplemented with an exit poll to discover who uses Government services, and their experience and opinions of the service offered.

Service delivery surveys can collect information on a range of public services [...] They can collect information on, for example:

- The proportion of households using Government services, the proportion using other service providers, e.g. NGO or private providers, and the proportion not using any services (e.g. children not in school, or not seeking any care when ill.)
- Differences in the pattern of service use between poor and non-poor, women and men, urban and rural, or between other significant categories within the population.
- Reasons for use or non-use of services, identifying the importance of factors such as proximity, cost, availability of staff or other quality inputs (books or latrines in schools, drugs, waiting times or how staff treat you in health facilities).
- Opinions on overall satisfaction with services, which may be a useful indicator of performance over time – though opinions may also be influenced by other ‘feel good’ factors, and trends in the more verifiable indicators of utilisation and of quality may be more readily interpreted.

The two service delivery surveys in Bangladesh health and population have revealed a picture in which Government services reach a minority, and in which poor people receive the worst treatment, waiting longer and paying more in relative and sometimes in absolute terms. Biases against women and against rural dwellers were confirmed. It has led to a recognition of the need for a more carefully targeted strategy to meet the needs of the poor.

Service delivery information collected in Tanzania education was helpful in revealing the problems of high cost to parents for perceived low quality of education [...] A strategy which envisaged increasing enrolments through improvements focusing on classroom construction and requiring increased parental contributions to help finance it was unlikely to succeed.<sup>31</sup>

<sup>28</sup> Extracted from Foster (2001).

<sup>29</sup> Government of Uganda, Letter of Development Policy for World Bank Poverty Reduction Support Credit, 2001.

<sup>30</sup> See for example, Bangladesh Health and Population Sector Programme, Service Delivery Survey Second Cycle, 2000, Preliminary Key Findings, CIET Canada, 13 Nov 2000.

<sup>31</sup> Chijoriga, Fine, Foster, Hooper, Kaduma and Wangwe, ‘Appraisal of the Education Sector Development Programme: Report of the Financial Planning and Management Sub-Group’ report presented at seminar in Dar es Salaam, March 1999.

## Annex 13: Participatory Impact Monitoring: a Proposal<sup>32</sup>

### 1. Rationale

Participation is a quality criterion for the formulation, implementation and the monitoring & evaluation of Poverty Reduction Strategies (PRS). In most PRSP countries considerable public involvement has occurred in the formulation of poverty reduction strategies. With countries now moving towards implementation, keeping up the level of public involvement in monitoring and evaluation of these strategies requires systematic attention.

Conventional M&E approaches tend to fall short of capturing the multi-dimensional and dynamic nature of poverty, differential impact patterns, as well as unintended effects. Contextualizing qualitative and participatory methodologies have shown particularly suited to reveal this type of information, as well as to provide fast feedback during implementation.

Substantial experience with participatory monitoring and evaluation (PME) is available for project/ program level. There, PME has proven to raise ownership and autonomy of primary stakeholders, increase accountability and transparency of service delivery institutions and improve their performance. However, with regard to participation in policy and policy impact monitoring experience is still very limited.

Hence, this work program wants to promote and further explore the contribution of participatory and qualitative approaches for the monitoring of policies and programs in the context of poverty reduction strategies. **Participatory Impact Monitoring (PIM)** builds on the voiced perceptions and assessments of poor men and women and aims at strengthening these as relevant factors in decision-making at national and sub-national level. In the context of PRS monitoring it will provide systematic and fast feedback on the implementation progress, early indications of outcomes, impact and on the unintended effects of policies and programs.

### 2. Objectives

The **double objective** of the work program is

- to increase the voice and the agency of poor people through participatory monitoring and evaluation, so as to enhance the effectiveness of poverty oriented policies and programs in PRSP countries, and
- to contribute to methodology development, strengthen the knowledge base and facilitate cross-country learning on the effective use of Participatory Monitoring on policy level, and in the context of PRS processes in particular.

The primary process of the work program consists of support to up to five PRSP countries to develop and implement their Participatory Impact Monitoring approach. In addition, the work program aims to contribute to methodological development. Comparative analysis, synthesis and the sharing of experience among practitioners and decision makers from PRS countries and the international community are therefore integral part of the work program.

The work program also wants to contribute to the refinement of M&E support offered by the WB to PRS countries.

### 3. Methodology/ Conceptual Approach

Conceptually, the proposed PIM approach combines (1) the **analysis of relevant policies and programs on national level**, leading to an inventory of 'impact hypotheses', with (2) **extensive consultations on district/ local government level**, and (3) **joint analysis and consultations with poor communities** on their

---

<sup>32</sup> Extracted from World Bank, Social Development Department, Participation and Civic Engagement Team, Proposed Work Program, 10/15/2001.



perceptions of change, their attributions to causal factors and their contextualized assessments of how policies and programs effect their situation.

This general approach has to be adapted to the specific country situation considering a number of questions and circumstances:

- 1) **methodological development/ integration with quantitative approaches:**
  - How to make best use of qualitative/ participatory methods for policy impact monitoring (appropriate design, sampling, generalization)?
  - What should be the specific contribution/ added-value of these methods in a national poverty monitoring system?
  - What are the combinations/ synergies of PIM with quantitative M&E approaches.
- 2) **developing suitable institutional arrangements** to influence decision making:
  - What is the institutional context in which PIM should be integrated, e.g. PRS/ poverty monitoring systems or civil society monitoring initiatives?
  - What use can be made of existing PME systems, e.g. of Sector Reform or CDD programs?
  - How can the actual use of PIM results in decision making be promoted/ supported (dissemination seminars, feedback loops, communication channels between local institutions, sub-national and national levels);
  - How to facilitate institutional learning to deepen the poverty focus of implementing institutions?
- 3) **stimulate civic engagement and public debate** around the PIM results and process:
  - How to develop an appropriate communication strategy for effective public information?
  - How to best stimulate informed public debate on the effects of PRS?
  - What is the role of civil society, parliament and the media in disseminating and discussing the results?

[...]

#### 4. Staffing and Cooperation

The work program will be task managed by SDV in close collaboration with colleagues from PREM and the PRSP M&E Group. A steering group including colleagues from PREM, SDV and from the respective country teams will guide the work. Cooperation/ coordination will be sought with the Evaluation Capacity Building initiative of OED.

External cooperation has been initiated with GTZ, in view of their support for Qualitative/ Participatory Impact Monitoring in 3-4 African PRS countries. The cooperation is intended to comprise joint learning, exchange of experience and knowledge generation/ management work. If possible, it could also entail joint work on country level. Cooperation with and support from other bilateral donors or development organizations will be sought on country level, as well as for learning/ methodological development (e.g. UNDP, SDC, DFID, ActionAid).

#### 5. Timeline

The work program will start in October 2001 with activities under outcome 1 (contacting, cooperation agreements, detailed planning of the country processes). It is supposed that the country PIM processes could progress up to field-testing, analysis, report writing and dissemination till the end of the 3<sup>rd</sup> quarter of 2002. Based on the comparative analysis the learning event could take place approx. in October/ November 2002. The technical note and inputs to the PRSP handbook are to be drafted in the 2<sup>nd</sup>/3<sup>rd</sup> quarter of 2002 and finalized till December 2002.