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Background Paper 2:

PRS monitoring: issues from consultants' experience

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1 Introduction: why this paper

PRS monitoring is a new enterprise, about which everyone has had a lot to learn in a short space of time. Exchanging and consolidating experience as broadly and quickly as possible is essential. One valuable source is the experience that DFID SDAs and Statistics Advisers can bring to bear on the subject. But this can usefully be complemented with insights and concerns from a slightly different quarter – that of the international consultants who have been hired in large numbers, particularly during the last year, to facilitate or advise on the design and set-up of PRS monitoring arrangements in countries of the region.

This paper was commissioned to bring together some of this experience. It draws on experience in Comoros, Ghana, India, Kenya, Mozambique, Nepal, Pakistan, Rwanda, Tanzania, Uganda, and on discussions with Bob Baulch (IDS), Kate Bird (ODI), David Booth (ODI), Karin Christiansen (ODI), Tim Conway (ODI), Alison Evans (ODI), Andy McKay (ODI), Rosemary McGee (IDS/Christian Aid), Paul Shaffer (University of Toronto/IDEA) and Andrew Shepherd (ODI).¹

The report falls into two main parts, dealing with:

- the nature of the task – what is PRS monitoring and what particular challenges does it pose?
- the difficulties the consultants confronted in rising to these challenges, and/or delivering on their terms of reference – and what lessons need to be learned from this?

2 The nature of the task

There is quite a bit of uncertainty, and some disagreement, about what PRS monitoring should, and should not, involve. This reflects the newness and originality of the PRSP idea and the freshness of the challenge of monitoring a national poverty-reduction strategy. Attempts to set up PRS monitoring systems are pioneering new territory, and quite rightly there is a large element of trial and error.

2.1 What is PRS monitoring?

Even among the consultants, there are different concepts of what monitoring is. One source of difference is professional background. Some of the consultants have some professional background in monitoring and evaluation (M&E), with experience of project, programme or country-programme assessments. Others have less technical experience of this sort and are approaching PRS monitoring mainly from the point of

¹ The paper may not reflect faithfully the views of any of those consulted. Responsibility for the final drafting rests with Karin Christiansen and David Booth alone. Karin wishes to acknowledge that the paper has benefited from her close involvement with the Rwandan PRS process from 2001 to the present and ideas generated and fruitful discussions held with all of her colleagues there, and in particularly Leonard Rugwabiza and Claudine Zaninka.

view of the PRSP initiative and how it is attempting to transform the aid relationship and the in-country politics of poverty reduction.

These contrasting lines of approach are fairly equally balanced, and get reconciled without too much difficulty, among the consultants. However, many in-country stakeholders, particularly Government counterparts, belong firmly to the first school of thought. When thinking about PRS monitoring, they are working with a technical definition based largely on an understanding of monitoring in terms of project M&E.

It is important to recognise this as a general feature of the context in which PRS monitoring is being defined. It means that key players can be expected to disagree about such apparently elementary issues as how much emphasis to place on defining indicators and establishing measurability, as against creating conditions a broad and essentially political learning process.

Taking a strategic approach

While there are obvious benefits of rigour and methodology associated with classic project M&E, it is clear that this requires some adjustments before it is used as a template for PRS monitoring. Both the scale and purpose of PRS monitoring are different from the case of project M&E. A common way of putting this is to say that PRS monitoring needs to be *strategic*. But what does that mean?

This is most easily approached by identifying what it excludes, using examples from the consultants' experience of PRS efforts to date. Three ways of being insufficiently strategic are:

- **Forgetting the purpose and not embedding the monitoring design in political analysis.** If the PRS initiative is in essence an attempt to get a pro-poor political process started, then PRS monitoring is an effort to raise that process to a higher level. Being strategic means, among other things, keeping that objective in mind, from beginning to end.

Key questions that need to be asked include: What is likely to make a difference to the continuity of the PRS process? Who are the most important audiences? Who or what is the key policy-making or arbitrating body that needs to be influenced? What kind of information would they respond to? And what incentives do different stakeholders have for using or ignoring information about the process and results of the PRS?

- **Not prioritising and not building in enough flexibility.** A general tendency is to want to design PRS monitoring arrangements as complete systems, often building in steps from data collection upwards. There is a tendency not to prioritise which parts of a system might deliver an impact relatively quickly, building on existing areas of capacity and demand. For PRS monitoring to have a positive impact on the implementation of a PRS, it needs to be simple and start by notching up some noticeable quick successes.

Being flexible and having the capacity to learn and adapt as the PRS process itself advances, and as new factors come into view, is another desirable feature.

Neither of these features – simplicity and a flexible, learning-process approach – are currently well recognised in PRS design efforts.

- **Trying to do everything and ignoring what exists.** There is a tendency to want to design systems that monitor everything, and not to build on, or help to revive, existing systems. While line-ministry routine monitoring systems are often not functioning effectively, replacing them with a single unified centralised system is both impractical and inappropriate. Attempts to do this will only swamp central bodies with information they cannot handle.

Less obviously, this approach also carries with it the risk of undermining what line-ministry commitment there may be to a PRS process. Often, line ministries already feel “worked around” rather than “worked with” in PRS processes. Encouraging the improvement of line-ministry monitoring systems – and then monitoring those – would be a better level of ambition for PRS monitoring. This will obviously be easier where there is a SWAp or another strong incentive to improving sector policy processes. It does not exclude timely, cost-effective initiatives from the centre to complement or check up on the routine data that sectors agree to collect.

Institutional contexts

Attempts to design PRS monitoring systems do not happen in an institutional vacuum. PRS monitoring units, particularly if located in a Ministry of Finance, are a threat to older structures. This poses particular challenges to getting a strategic approach accepted, let alone institutionalised.

Existing oversight systems are often at the centre of the executive branch, in a body such as the Vice-President’s or Prime Minister’s Office. These units, and line ministry systems also, were set up in most cases on the basis of a technical and comprehensive conception of monitoring, reflecting earlier traditions of “development planning”. In a number of countries, even where the unit or structure specifically responsible for PRS monitoring has made a shift conceptually, other areas of Government have not. Trying to move to a more strategic and learning-oriented approach often involves a fundamental challenge to people’s outlook and possibly even their sense of professionalism. Particularly if they feel threatened by the process, these bodies may well be a source of resistance to the new concepts coming out of PRSP processes.

These effects are stronger than they might be because of the continued predominance of project aid, and the effect of this on Government systems. Most people’s exposure to M&E will have been acquired within a project setting, whether through donor projects within Government or with NGOs. Moreover, many projects still have a “blueprint” character and have not taken on board the need for a learning-process approach whenever the conditions for project success are subject to a high degree of uncertainty. Those with this sort of background can be expected to have particular difficulty with the selective and flexible approach we recommend for PRS monitoring.

2.2 What to monitor?

We have said that being strategic means being selective and prioritising sharply in relation to the main objective. But then what kinds of things should normally be getting priority?

This question is often marred by a profusion of terminology, in which the same words mean different things to different people, or at least carry different connotations. In this paper, we are using Booth and Lucas' concept that PRS monitoring is concerned with a "chain" of causes and effects, from inputs and outputs to the achievement of final goals.² We adopt the terminology in which "outcomes" include both intermediate results and final ones (final outcomes being what some parts of the literature call impacts).

Booth and Lucas argue that PRS monitoring should place more emphasis than it has done until now on intermediate implementation processes and outcomes. It is suggested that final outcomes have had too much attention, and that this reflects, among other things, the fact that the strategies that are to be monitored have a "missing middle". That is, they haven't worked out exactly how they are going to get from inputs to final goals.

From our discussions with the consultants, there does seem to be an increased acceptance of the need to monitor a range of different points in the "chain", not just the beginning and end. However, the consultants often met strong pressures working against this approach. Common issues were:

- a strong emphasis on the activity of defining indicators, and a tendency for these to proliferate;
- a bias towards final outcome monitoring; and
- neglect of intermediate process monitoring in particular.

Preoccupation with indicators and indicator proliferation

The overwhelming focus on selecting indicators, and the narrow interpretation of monitoring as tracking pre-defined, quantifiable measures of progress, was one of the most commonly noted problems in approaching the design of PRS monitoring systems. Overcoming this kind of narrowness, which excludes the kind of tracking of progress that cannot be pre-defined and is not easily quantified (e.g. processes of institutional improvement) was found to be one of the hardest stumbling blocks.

While narrow in this sense, initial efforts at PRS monitoring have tended to be too broad in another. The pressure to add more and more indicators to already lengthy lists, which are in turn treated as largely defining the monitoring system, is well documented. Prioritisation, consideration of cost and the availability of usable data, are still lacking.

A key source of this pressure is Government itself, including both PRS core teams and support units and other Government bodies. But similar pressures also come from NGOs and donors. To some extent, the pressure is the inevitable consequence

² Booth, D. and Lucas, H. 'Good Practice in the Development of PRSP Indicators and Monitoring Systems', *ODI Working Paper 172*, ODI, July 2002

of broadening participation in the design process to include line ministries, national NGOs/CSOs and other participants. All of these actors want their own issues to figure in the coverage of PRS monitoring (perhaps especially if they are not in the PRSP itself!).

Some of the consultants felt that the process of discussing indicator selection and prioritisation can be of major benefit for the PRS process as a whole. Even if it has a potential price in terms of over-loading the system, such debate can generate an interest in performance measurement and especially in cross-cutting policy issues that has previously been lacking. For example, this was felt to have been the case in Ghana.

Pressures to overload monitoring systems by adding indicators are hardest to resist if they come from donors. This is especially so if the same donors are funding aspects of the monitoring effort. How justifiable are such pressures?

The need for PRS monitoring to be robust enough to replace donors' independent reporting systems is central to the whole PRSP project. However, it is not always clear that donors have thought through what they specifically and really need for their own accountability. So, the pressures have other and less obviously legitimate sources. Areas in which donors were felt to be pushing their own agenda include a perceived imperative to measure progress on the MDGs, a particular interest in Public Expenditure Management issues and, most problematically, donor programming or project interest in particular sectors or regions. The content of the PRS Review has proved to be a focus for these tensions in a number of countries.

Concentration on final outcomes

Despite greater acceptance of the need to monitor the whole "chain", final outcomes seem to continue getting the lion's share of attention. That is, PRS monitoring is taken as poverty monitoring, with only limited attention to monitoring implementation and progress on intermediate variables.

This emphasis is to some extent inevitable. Poverty monitoring is important, is the most highly developed area of monitoring, conceptually and technically, and is relatively familiar territory for many of the stakeholder thanks to improvements in the 1990s. However, given the extreme infancy of the policy changes initiated by the PRS process and the importance of learning quickly whether these are having any noticeable effects, the emphasis on final outcomes is still excessive.

The interest in poverty outcome monitoring combines with the concern to establish pre-defined indicators to take attention away from things that matter more. The "middle" of the chain is still weak, and one of the weakest links is process monitoring – monitoring the changes in organisation and ways of working that the PRS aims to promote. Key processes that need to be monitored include the development of more pro-poor policies, budget submissions and action plans by sectors and/or local governments in compliance with PRS commitments; and the progress made in actual implementation of those plans.

The consultants considered that all of these issues are more acute when one moves out of the social sectors. This is in part due to the higher availability of both survey

and administrative data in education and health. These are the sectors in which monitoring of some sort is usually the most established, with instruments covering both final outcomes (e.g. infant mortality, by Demographic and Health Surveys) and intermediate outcomes (e.g. vaccination rates, by routine reporting systems). It may also be that there is still a tradition of regarding poverty as a social sector problem, despite the progress that has been made in paying attention to other sectors in PRSPs.

2.3 Monitoring by whom?

Participation is a a major buzzword in the area of PRS monitoring, and for good reasons. But there are rather different views of how participation and PRS monitoring fit together – of who should be participating in what parts of the system and for what reason.

Degrees of inclusion

The consultants found expressions of support to the principle of participation in monitoring to be quite widespread – in part, no doubt, because this is known to be attractive to donors. However, this means rather varied things in practice:

- Usually, there is a **statement of intent**, to included NGOs/CSOs in monitoring the PRS. That may not seem much. Yet, in some situations that in itself is a substantial advance, signalling much greater openness than has been typical of Government in the past. The test is whether it can be carried through into practice without weakening Government commitment to the whole enterprise.
- There are also frequent references to participation in the sense of **qualitative methodologies**. NGOs are usually expected to carry out the qualitative parts of the monitoring and thus there will be participation by the survey subjects as well as by the NGOs. The degree to which this implies some degree of ongoing consultation involving poor people remains to be defined in most cases.
- In a few places, the idea of participation has been extended to **including other stakeholders in the design** of the PRS monitoring processes. This usually has focussed thus far on NGOs and donors taking part in indicator selection. The remaining challenge is to see whether these stakeholders are able to become permanent partners with real influence in the analysis and dissemination of PRS monitoring information.

Transforming PPAs

Under the rubric of participation as qualitative methods, it is often assumed that PPAs as presently organised can continue providing useful information for PRS monitoring. However, PPAs that have contributed substantially to information on the nature of poverty may not be a particularly sharp tool for giving feed-back on the progress of PRS implementation. To generate the needed information on the implementation and immediate effects of PRS policies, PPAs need to change (in which case, it may be better not to call them poverty assessments).

In a few countries, methods are being adapted and piloted for the more specialised purposes of PRS monitoring. One new element is that research teams undertake a

good deal of prior policy analysis and identify issues in advance, rather than leaving issues to arise “from the bottom up”.

Politics of participation in PRS monitoring

The consultants agreed that there is an under-recognition of quite how difficult it is to engage stakeholders, within and outside Government, in the process of designing and running PRS monitoring. The time and effort required at the start to generate interest and engagement, let alone obtain agreement on a sensible design, is often underestimated.

As noted above, the more participants there are, the greater the pressures for indicator proliferation and over-complex institutional arrangements are likely to be. Producing agreement on “sensible” systems from these discussions requires a strong vision, and considerable facilitation skills, on the part of those managing or guiding the process. The process also needs to be taken slowly enough for negotiations to be undertaken and compromises reached. The idea that PRS monitoring arrangements can be set up quickly and easily on the basis of one or two technical-assistance missions is an illusion.

Among the factors working against stakeholder engagement is the sense of frustration often felt by NGOs about governmental reluctance to include other actors. NGOs are also concerned about the drain on their capacity, as well as the risks to their independence, that participation in such initiatives represents. While this can play out in many different ways depending on the particular circumstances in a country, there is a recognised tendency to underestimate how compromised or co-opted different players can feel by the more technical stakeholders. In this context it is particularly important for donors to be aware of their powerful position as both advocates for the participatory process and direct funders of CSOs and parts of the Government.

2.4 Monitoring at what level?

More is not always better

Another set of issues concerns the administrative tiers or geographical levels that PRS monitoring systems should be designed to cover. There are obviously differences between countries, depending on size, capacity, degree of federalism and so on. Currently, however, most monitoring systems are focussed at the central or national level, while, to a greater or lesser extent, PRS policies emphasise decentralisation of basic service delivery. Given commitments to decentralisation, PRS monitoring plans are subject to pressures to encompass decentralised information collection and analysis at district or provincial levels.

The consultants take the view that such pressures should be resisted. While the idea of monitoring as closely as possible to the ground is always appealing, and local planning needs of course to be as well informed as possible, the cost, relevance and level of demand need to be taken into account before any initiatives at this level are attempted. There was a general feeling among the consultants that the rather centralised nature of current PRS monitoring efforts is appropriate right now.

Better monitoring by line ministries is what is needed. That is, in fulfilling their obligations to monitor local service-delivery and other aspects of local governance, line ministries should make better use of the instruments at their disposal. For example, disaggregating – or simply not aggregating so much – routine data collected at lower levels could be useful. And service-delivery surveys and PPAs can be used to complement and/or check up on routine data from service providers. In short, to meet the strategic needs of the PRS in respect of decentralised poverty-reduction efforts, it is not necessary to decentralise all aspects of monitoring.

Community-level monitoring?

There is a common expectation, particularly among donors, that NGOs and CSOs can and will carry out some sort of “community level monitoring” of the PRS. Here too a distinction needs to be made between intelligent use of tools like PPAs and participatory beneficiary assessments that can provide quick “symptomatic” feedback on the basis of a small sample or case study, and instituting a comprehensive system. The latter should be regarded as out of the question. Such proposals rest on a serious underestimation of the technical challenges of building systems that are rigorous, reach down to the community level and generate data that will be actually used.

3 Difficulties in practice

The discussion so far has tried to illuminate the task of PRS monitoring. This final section takes one further step. It addresses the difficulties, including practical snags and dilemmas, that the consultants say they faced in delivering on their terms of reference, which in most cases were to provide technical assistance to the design of PRS monitoring in a country. We consider this an important source of learning about the difficulties and challenges that are likely to be faced by DFID in providing further support to PRS monitoring.

3.1 The side-lining of demand, incentives and policy response

There was a strong feeling from a number of the consultants that the core question of how PRS monitoring systems are expected change behaviour and result in better policy was often side-lined. This tended to have happened in advance of their own involvement in the process. Issues around who is interested and will use the data, why they are very often not interested and how to incentivise the process so they becomes more so, were invariably not (never or no longer) on the agenda. The technicalities and the urgency of getting a system designed and up and running easily overwhelmed these essential issues.

Lesson: Institutional relationships, information flows and incentives need to be brought much higher up the agenda.

3.2 Who defines the agenda?

As suggested in Section 2, there is as yet no clear and widely-held consensus on what PRS monitoring is, and what it is for. If what is new about PRS monitoring is that it takes strategic approach and is flexible and process-oriented, then this is not

clearly understood by all parties involved in designing these systems. Whose job is it, then, to build the initial minimum consensus around these issues? How far can this be the task of a short-term consultant?

There clearly is potential for short-term TA to successfully contribute to the set-up of PRS monitoring. Short-term TA may be particularly valuable in the form of support to “learning events”. However, if this is a useful approach, then it is most likely to be effective as part of an ongoing effort, undertaken in-country by key stakeholders resident in the country.

Lesson: The precise division of labour between in-country stakeholders, including donors, and short-term consultants in creating the conditions for successful design processes should be clearly set out in terms of reference.

3.3 Key role of multilaterals

Two key multilateral actors (the World Bank and UNDP) are particularly important influences on the development of monitoring systems. Both of these organisations provide substantial TA and/or finance under the rubric of PRS monitoring systems, and are therefore key players in this field.

In a number of cases, consultants found their assistance to be poorly co-ordinated. But a more important problem concerns institutional assumptions about the role and nature of PRS monitoring. In different ways, both organisations have a tendency to advocate priorities that differ from the approach described in this paper. There are examples where this has been successfully managed, probably by means of a fair amount in-country negotiation. However, where Bank or UNDP support is substantial and largely driven by head-office concerns, this sets up additional barriers to achieving a local consensus around a strategic approach, making it even more difficult for short-term consultants to turn the situation around.

Lesson: The level of ambition in PRS monitoring consultancies should take into account entrenched positions of major external stakeholders.

3.4 Taking capacity building seriously

In a similar vein, consultants were concerned about their role in capacity building. The objective of building local capacity to support PRS monitoring is an important one – too important, in fact, to be handled in the way it currently is.

Consultants felt that it had been implicit in their ToRs that capacity building would arise as a by-product of design activities. However, capacity-building objectives will not be met in this way; they should be addressed explicitly, and probably handled separately. Serious capacity building would entail longer commitments and on greater scale than the TA currently being provided. It should be done separately from consensus-building and decision-making about the design of monitoring. Although it is relatively expensive, training on relevant issues can be usefully directed at Government counterparts and local consultants, and there are examples of both working to some extent.

Lesson: Do not expect capacity building to occur spontaneously. It needs to be separately organised.

3.5 Process vs. content

There was a perception in a number of cases that clients expected consultants' final reports to contain large amounts of very detailed work describing the actual and proposed systems for data collection, analysis and use in the country. This suggests that the objectives of the support had not been very clearly considered and/or that the clients' conception of PRS monitoring was different from the one advocated in this paper.

While it is perfectly possible for external TA to produce high-quality technical reports of this type, it needs to be acknowledged that a trade-off is involved. An alternative use of TA time would be discussing and negotiating system design with Government counterparts and helping them engage with other stakeholders. This use of time might easily result in seemingly less satisfactory systems on paper, but probably also in systems that enjoy much greater local ownership and a higher chance of being implemented effectively.

Lesson: The consultancy report should become more a narrative on the process, its strengths and its weaknesses, and less a presentation of the monitoring system proposed or agreed.

3.6 Skills mix

The skills mix of the TA provided in support of PRS monitoring was another central concern. Credibility of the TA in M&E, in the traditional, technical sense is important for building relationships with Government counterparts whose history and skills usually lie in this area. Participatory/qualitative skills are increasingly acknowledged alongside quantitative capabilities, and teams that combine these skills are already being employed with some degree of success. But this still places too much emphasis on the data-collection end of PRS monitoring, and not enough on the institutional framework and the change-management processes that affect incentives to produce and use information.

Lesson: Consultancy support to PRS monitoring needs to include capabilities in organisational transformation or institutional change-management.

3.7 Briefing on institutional background

An important determinant of success in a PRS monitoring consultancy, according to the consultants, is the quality of the initial briefing about what is going on within and between relevant institutions and players in the country. Good political (with a small p) and institutional context briefings were considered particularly valuable. They save a lot of time and mean that teams are able to engage much more rapidly with the big challenges. The absence of such background knowledge and direction was felt to have hampered some pieces of work quite considerably.

This, of course, assumes that the office has sufficient local knowledge. An alternative approach was taken in some countries where the country desk recognised that they lacked a clear overview of who was doing what, where and why both within and outside Government. In this case, the consultancy ToRs included undertaking a detailed institutional mapping exercise as a prelude to the main work.

Lesson: Good initial briefings can make a major difference to the effectiveness of a PRS monitoring consultancy, and if they can't be provided a preliminary institutional scoping will be essential.