

## **Chapter 6 – MPRS Implementation, Monitoring and Evaluation**

In implementing the PRSP Government will use the existing mechanism – the line Ministries and the Budget, co-ordinated by central Government Ministries - in particular, the Ministry of Finance and Economic Planning, the Office of the President and Cabinet, and the National Economic Council. To be implemented, the MPRS must be translated into the Medium Term Expenditure Framework (MTEF) and the Budget, and that Budget itself must be fully implemented. Thus, the issues of Public Expenditure Management and strengthening the MTEF covered under the Governance, Political Will and Mindset pillar are central to implementation.

In general, the MPRS will not lead to new and parallel systems for implementation, monitoring and evaluation. Instead, the emphasis will be on building capacity for and strengthening existing systems, including the inclusion of a broader range of stakeholders, including civil society and the media.

Crucial to the success of the MPRS is the need to implement only the MPRS. The Poverty Reduction Strategy outlined in this document has been designed to be comprehensive and has been costed so that it is in line with Government's overall resource envelope. It reflects a consensus on Malawi's priorities that has been built through a highly participatory process and reference to ongoing programmes. Hence, the omission of an activity from the MPRS does not mean it has been forgotten – it means that it is not considered a priority at this stage and therefore should not be undertaken in current implementation period until it becomes a priority, if at all.

However, this does not mean that there should be no flexibility in implementation. In addition, unforeseen circumstances are likely to arise which may necessitate implementing alternative activities (e.g. disaster management, emergence of new priorities). As a result, the MPRS is intended to be an adaptable document – it will be reviewed annually and comprehensively redesigned every three years. However, some circumstances will arise which demand more immediate action. In this case, Government will be transparent in clearly explaining the need for the alternative

activities and more importantly, will explain which MPRS activities will be scaled down or dropped to create space for the alternative activity in terms of financial and human capacity.

A number of measures have been taken to ensure that this MPRS is implementation-friendly. In the past, Government has failed to implement its plans and strategies because the activities were not prioritised in line with the limited availability of resources. Government has tried to do too much with too little resources and achieving too little because the resources were spread thinly across activities. The MPRS process has focused on prioritisation. Prioritisation involves making hard decisions on which activities to implement, and which to scale down or drop altogether. This is done in the context of comparing Government's available resources with the costs of implementing the priority activities, so that the strategy is realistic.

Apart from prioritisation, the MPRS process focused on designing an action plan for the strategy (annex 2). The action plan and the activities within it will form the basis for the Budget. The probability of implementation has been assured by the emphasis on ownership and participation. The MPRS preparation process was designed to ensure that consensus on the strategy was built across Malawian society. Government, political parties, civil society, donors and private sector representatives, as stakeholders, were engaged in the process on an equal footing. This was done to achieve broad ownership, generate commitment to the implementation of the MPRS and spark interest in the monitoring of the strategy.

In addition to the measures already outlined, there are two critical components of the implementation strategy. Firstly, a thorough monitoring and evaluation system and secondly through high-level coordination supported by technical level committees.

## **6.1 The MPRS in context**

In the past, there has been no coherent institutional and management structure for the planning<sup>1</sup> of public expenditure and policy. Rather, there have been a variety of

---

<sup>1</sup> "Planning" does not just refer to development Budget activities as traditionally understood, but equally to the recurrent and development budget. Planning is understood here to mean the

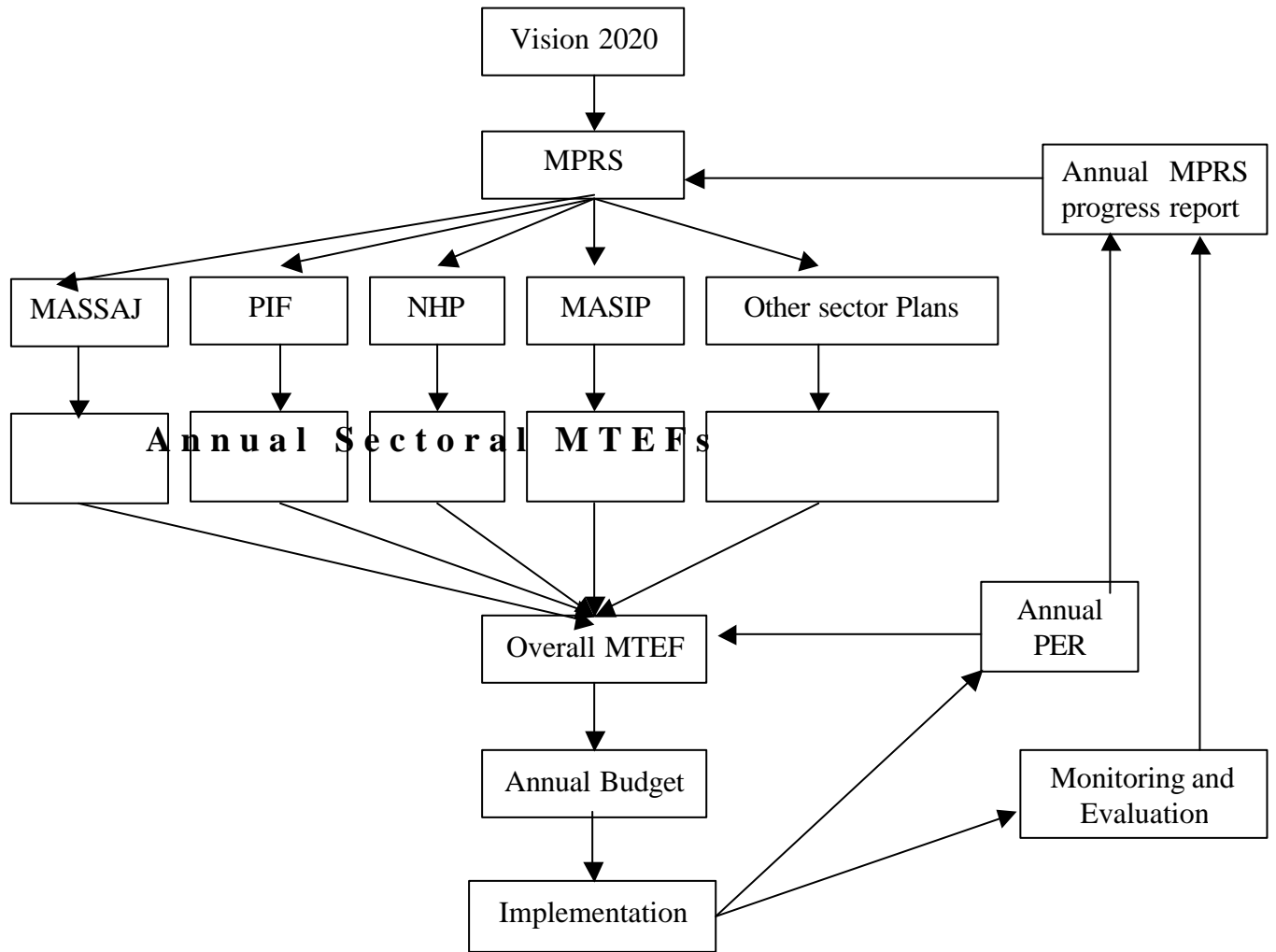
loosely coordinated donor-driven reform initiatives that have been half-implemented by a number of central government bodies and line ministries with little overall management or co-ordination. Initiatives such as the MTEF, SIPs and SWAs and Vision 2020 have been seen as separate, add-on activities rather than part of a coherent whole. The implementation of the MPRS and the success of the other initiatives depends on the definition and coordination of an integrated and coherent planning and budgeting system coordinated by the Ministry of Finance and Economic Planning, with the MPRS and the Budget at the core. This system must be clearly understood by all key stakeholders. The structure of the system is explained in Figure 6.1 below.

As demonstrated in Figure 6.1, the MPRS has its roots in country's overall vision as defined in Vision 2020. In effect, the MPRS translates the aspirations captured in Vision 2020 into more practically defined and prioritised strategies. These strategies are then further clarified into more detailed sector-specific plans either in the form of Sector Investment Programmes (SIPs) or Sector Wide Approaches (SWAs) or cross-sectoral programmes or projects, such as MASAF and the National Safety Nets Strategy. SIPs exist in education (the PIF) and health (the NHP). Others are being developed in agriculture (MASIP) and security and justice (MASSAJ). The MPRS, by giving a national overview of poverty reduction efforts, acts as a starting point for the sector-specific plans. It is essential that these plans are consistent with the MPRS – the plans should contain only strategies that are contained in the MPRS. In practice, the relationship between the MPRS and the plans will go both ways – existing and future plans have and will be used in formulating the MPRS and revisions made to the plans incorporated into the MPRS during the annual review where agreed.

---

prioritisation of scarce resources (both financial and Government capacity) so as to achieve Government's objectives.

Figure 6.1.- Public Policy and Planning Framework



The next stage in the process is for the sector specific plans to be translated into three-year sectoral Medium Term Expenditure Frameworks (MTEFs) on an annual basis by the line ministries, with the first year of the MTEF<sup>2</sup> representing the annual budget. After revisions made during the budget hearings, these individual MTEFs and budgets are consolidated into the national MTEF and Budget as presented to Parliament. This process of defining national and sectoral strategies and translating these strategies into budgets will help to ensure that the annual budget reflects Government’s priorities and the opinions of those consulted throughout the process.

<sup>2</sup> The MTEF is a way of doing the Budget process, focussing on activities and outputs rather than inputs.

In order to ensure that the MPRS and ultimately the MTEF/Budget continue to reflect the best poverty reduction strategies, the public expenditure policy and planning framework described in figure 6.1 also includes two annual review vehicles – the MPRS review and the Public Expenditure Review. The PER will look in detail at expenditure trends and impacts in certain sectors, and will act as an input into the annual MPRS review, which will review progress with the whole MPRS and will revise the MPRS accordingly.

A major challenge to Government is to integrate decentralisation into this framework. To this end, a revision to the framework will be made during the first annual review process after consultations between the Ministry of Finance and Economic Planning, the Ministry of Local Government and the District Assemblies.

## **6.2 MPRS and the Budget**

At the core of the public expenditure planning and management system is the relationship between the MPRS and the Budget. The system is designed to ensure that the Budget is a detailed cost estimate of the implementation of MPRS priorities, rather than just a list of inputs by Government institutions.

The budget preparation and scrutiny stage of the budget process is central to the success of this system. The Ministry of Finance and Economic Planning ensure that line Ministries use the MPRS when preparing their Budgets. More importantly, the Ministry of Finance and Economic Planning will scrutinise proposed budgets, in line with MPRS-based budget guidelines, during Budget hearings. Budget submissions that will include activities outside the MPRS or exclude activities inside the MPRS will be rejected unless there is both a clear justification of the change of priorities and an explanation of which MPRS activities will be scaled down or dropped to make way for the new activities.

Equally importantly, the implementation of the MPRS depends on the implementation of the MPRS-based Budget. As the 2000 Public Expenditure Review and the MTEF Review clearly demonstrate, the implementation of the Budget is beset with problems. It is therefore crucial that the measures outlined in the Public Expenditure Management section of the fourth pillar are fully implemented.

### 6.3 Monitoring and evaluation

Monitoring and evaluation of the MPRS implementation is key to the achievement of the goals of the MPRS. Monitoring of the implementation is to assist in the annual review of the MPRS and its substantive review after three years. Starting immediately after its launch, MPRS implementation is to be monitored using various indicators provided in the action plan for each component of the MPRS. The action plan has outlined a variety of monitoring indicators ranging from input, output, outcome to impact indicators. A brief definition of these various levels of indicators are in box 6.1 below:

#### Box 6.1 Monitoring indicators

There are various levels of monitoring indicators to be used during MPRS implementation, with an example for each from the education sector:

1. **Input** – The use of resources by Government – these resources can be financial (expenditure), labour (personnel) and capital (equipment). The focus will largely be on financial monitoring on an activity basis. *e.g. resources spent on primary education*
2. **Outputs** – The quantity and quality of services and transfers provided by Government using the inputs. These are generally directly linked to the efficient and effective use of inputs. *e.g. pupil:teacher ratio, number of textbooks per pupil*
3. **Outcomes** – The quantity and quality of effect of the services provided to the recipients of Government services. These are related to input and output performance but may be affected by other factors. *e.g. enrolment ratios, examination pass rates.*
4. **Impact** – The effect on welfare indicators, like income, consumption, poverty headcount etc. These may be affected by inputs, outputs and outcomes, but with a significant time lag and are also affected by many external factors. *e.g. literacy rates, poverty headcount*

At all levels of monitoring and evaluation, Government will strengthen systems by including a broader range of stakeholders, such as civil society and the media. The media will play a crucial role in disseminating information, particularly on outputs and outcomes. In the context of decentralisation, Government will also introduce, on a trial basis, schemes to enable communities to monitor Government performance on all four levels.

### ***6.3.1 Monitoring Inputs and Outputs***

The first level of monitoring and evaluation will be the monitoring of Government inputs. This will be based on activities, as detailed in the MPRS action plan and translated into the budget. Expenditure tracking will start at the source of funding (the Ministry of Finance and Economic Planning) and then move all the way to the actual expenditure point.

Controlling officers are to be responsible for providing data on actual expenditure and output levels, on monthly basis during the request of monthly funding. This will be done through the existing reporting system, which will be adjusted to take into account the demands of MPRS reporting. The Ministry of Finance and Economic Planning will thus be responsible for collecting, aggregating and disseminating this information. The input and output monitoring is to have in-built incentive mechanisms. The Ministry of Finance and Economic Planning will continue to withhold funding for Ministries and Departments that fail to submit satisfactory monthly activity-based reports on input and output indicators.

Whilst it is imperative that the entire budget is monitored in this way, particular attention will be paid to the priority direct poverty reducing activities, so as to meet conditions on the tracking of HIPC funds. However, this will not involve a separate system.

To re-enforce the monitoring, beneficiary communities, with the help of civil society, are to be involved in the expenditure tracking and output monitoring on the basis of the budget and funded activities. Civil society organisations should, therefore, mount capacity building exercise for communities to get involved in input and output monitoring at the local level. Further, the existing government ministries' monitoring and evaluation systems are to be enhanced to allow for consistent and quality tracking of expenditures. Expenditure tracking will involve identifying specific pro-poor programmes or line items in the Budget. These will be tagged and expenditure on those will be closely monitored.

Finally, the use of resources (in terms of inputs and outputs) will be monitored and evaluated using the annual Public Expenditure Review (PER). Annual PERs will

focus on a different group of sectors each year, analysing expenditure trends, effectiveness and efficiency and making recommendations to be incorporated in the annual MPRS Review and the formulation of the Budget.

### 6.3.2 *Monitoring Poverty Outcomes and Impacts*

Outcome and impact monitoring is to be assisted by the use of various sources of data. On the basis of the overall goal of the MPRS, which is to eradicate extreme poverty incidence, currently estimated at 30 percent of the population by the year 2015 and reduce the overall poverty by half by the year 2020, there is need to monitor overall progress in the factors that are considered crucial in determining the poverty status of the population. At a national level, a number of indicators are crucial for the monitoring of poverty outcome and impact indicators. The indicators and their sources of data are presented in Table 6.1 below.

*Table 6.1 Monitoring Indicators*

Area/Sector	Indicator	Type	Sources of data
Overall	Consumption	Outcome	IHS, QUIM
	GDP per capita	Outcome	National income statistics
	Nutrition status Morbidity Mortality Life expectancy	Impact	DHS, IHS, administrative records, QUIM
Agriculture	Food production Cash crop production	Output	Crop estimates, NSSA
Health	Access to potable water Access to sanitation Access to health services Total fertility rate	Output	DHS, IHS , QUIM
	HIV infection	Outcome	Administrative records
Education	Literacy rate	Outcome	IHS
	Net enrolment Education attainments	Outcome	Administrative data and HIS
Overall	Composite welfare index	Outcome, output & impact	All sources



The monitoring of outcome and impact indicators is to bank on complementary and supplementary sources of data. Administrative records and management information systems are critical sources for facility-based goods and services. These will feed into a district data bank to be managed by a professional statistician. Other more frequent data collection activities are to include Core Welfare Indicator Questionnaire (CWIQ) surveys, crop estimates, and food price surveys. The CWIQ, for example, is integrated service survey that is to be conducted annually, and allows quick and cost effective measurement of outcomes. A more comprehensive Integrated Household Survey (IHS) is to be conducted once in five years. This is also true for Demographic and Health Surveys (DHS). The Qualitative Impact Monitoring Survey (QUIM) is a participatory beneficiary service and poverty assessments tool. It is to complement the quantitative surveys and is to be implemented once in three years. The Population and Housing Survey is to be another critical source of data for poverty monitoring.

A critical factor in outcome and impact monitoring is the quality of the administrative and management information systems. The current administrative data collection systems and their higher-level management information systems are plagued by quality problems. One such quality problem is the coverage of the data. In many cases, the forms used leave out important information. Another problem is the lack of capacity and incentives for those filling in the administrative records. As a first step, administrative data collection systems are to be assessed for their use in monitoring of the MPRS. Forms are to be redesigned to suit the requirements of MPRS. Secondly, adequate staffing with requisite qualifications and incentives are to be deployed in key sectors like education, health and agriculture. The assessment of these systems and quality control of all other monitoring activities are to be done under the framework of the MPRS monitoring system institutional set-up.

#### **6.4 Coordination of Implementation, Monitoring and Evaluation**

The Ministry of Finance and Economic Planning will co-ordinate issues of implementation of the MPRS. In particular, a MPRS Unit will be created in the Ministry to drive the implementation of the MPRS across Government, and ensure that essential reforms to the MTEF and Budget are made. In addition, the Unit will co-ordinate the Annual PER and work with the Secretariat of the MPRS Monitoring

System to co-ordinate the annual MPRS Review process. Finally, the Unit will work with the Budget Division to coordinate all activities dealing with monitoring of inputs and output indicators. In particular, the Unit, in co-operation with the Budget Division will draw up guidelines for input and output monitoring by Ministries, District Assemblies and controlling officers. The Unit will also be responsible for workshops and meetings for all units and personnel involved in inputs and output monitoring, including civil society representatives, at most once in three months.

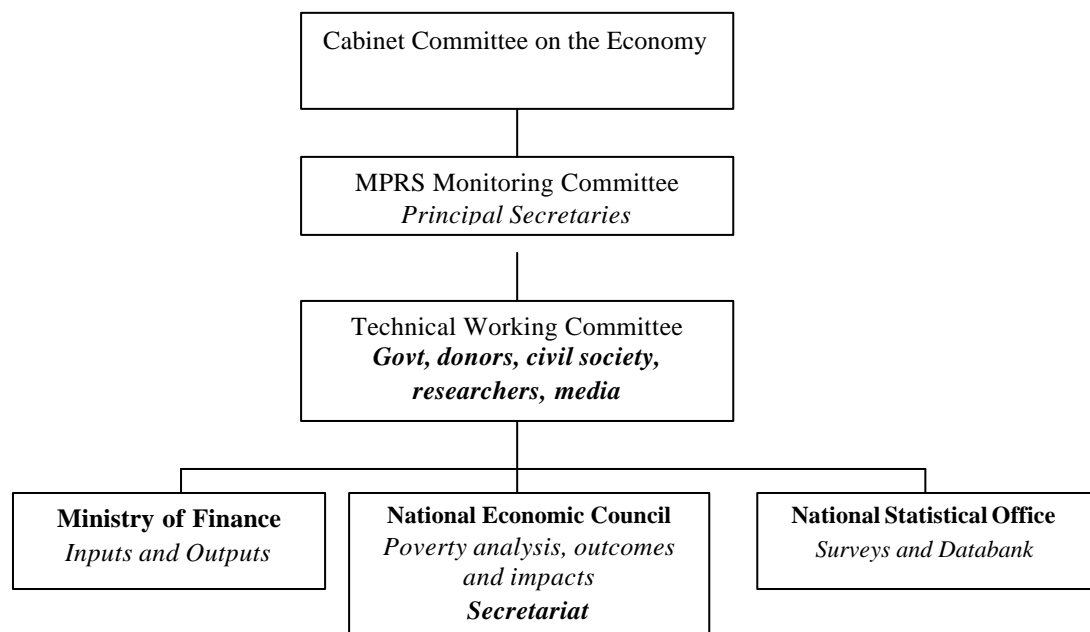
The National Statistical Office (NSO) is to be responsible for coordinating all outcome and impact monitoring activities. Apart from conducting surveys or assisting in the design of surveys by other agents, NSO is to collect all district level data produced by the statistical units of district assemblies. The data from the district statistical units need not be only outcome or impact indicators. NSO is to act as a databank for all indicator data from the district level. NSO is also to conduct preliminary analysis (aggregation, etc) of district-level data.

The National Economic Council is to be responsible for producing poverty-related data after analysing data from NSO, the Treasury's input and output monitoring as well as the financial information system and other ad hoc surveys conducted outside the MPRS Monitoring System. Thus NEC is to be a databank of finished and polished poverty data. NEC is to disseminate poverty statistics and information through media like internet, newsletters and newspaper articles and columns.

All MPRS monitoring and evaluation activities will be achieved through a MPRS Monitoring System based on the existing Poverty Monitoring System (PMS). This MPRS Monitoring System will have four levels. Firstly, the Cabinet Committee on the Economy will assume overall control of the system. Beneath this will be a policy making MPRS Monitoring Committee, consisting of Principal Secretaries from relevant Ministries (Finance and Economic Planning, National Economic Council, Agriculture and Irrigation, Education, Science and Technology, Health and Population, Transport and Public Works, Local Government, Gender, Youth and Community Services, and the Accountant General).

The MPRS Monitoring Committee will be served by a Technical Working Committee (TWC) that will co-ordinate monitoring and evaluation efforts and provide analysis. The membership of the TWC will include officials from the Ministry of Finance and Economic Planning (the MPRS Unit and Budget Division), the National Economic Council (Poverty Analysis Section), National Statistical Office, members of the donor community, researchers (including Centre for Social Research, Centre for Education Research and Training and the Agricultural Policy Research Unit), civil society groups (including the Council for NGOs in Malawi, and one group for each Pillar), and a media representative. The Poverty Analysis Unit of the National Economic Council will serve as the Secretariat for this TWC. On the Government side, the TWC will be served by the Ministry of Finance and Economic Planning (MPRS Unit), which will provide information on input and output monitoring, the National Statistical Office, which will conduct surveys and maintain a databank drawn from line Ministries and District Assemblies, and the National Economic Council (Poverty Analysis Section), which will provide poverty analysis, particularly on outcome and impact indicators. This institutional framework is summarised in Figure 6.2 below:

*Figure 6.2: Institutional Framework for the MPRS Monitoring System*



## **6.5 Capacity Needs for Implementation, Monitoring and Evaluation**

All district assemblies are to establish statistics units responsible for data collection and processing, database management as well as report production. Of necessity, the units are to be staffed by qualified and trained personnel. To ensure data quality

uniformity from all districts, MPRS Monitoring Committee, through the Secretariat, is to mount training and orientation for staff of statistics units. Under the same framework, NSO is training the district staff on quantitative data collection (including sampling), entry, analysis and reporting, NEC on qualitative data collection and analysis and MoF input and output monitoring.

Of necessity, NEC is to develop capacity to conduct poverty analysis. The MPRS Monitoring Committee is also to draw on expertise of its members, mainly the research centres. NSO is to designate or recruit specific officers to liaise with district level statistics units. The officers should be designated particular districts for maximum attention. These officers are to be in a stand alone section responsible for collecting district reports, maintaining districts database and producing databank abstracts for dissemination or use by NEC.

The Ministry of Finance and Economic Planning will continue to build capacity to monitor monthly allocations and expenditures vis-à-vis the MPRS within the Budget Division. In addition, the small secretariat for the MPRS Monitoring Committee will be established and work closely with the Budget Division and NEC's monitoring and evaluation division. Again, line ministries are to have strong Monitoring and Evaluation sections to be collecting input (including expenditure) and output indicators and producing poverty monitoring reports. These should have formal and working links with MOF and NEC. Of a necessity, these sections are to have their capacity built.

Community participation in monitoring and evaluation of the MPRS is crucial for its success. Community Development Committees are to have their capacity built to assist them monitor community level activities. Civil society organisations are to be used in this process. The civil society organisations are to be free to join in the monitoring of the process independently as well as through the MPRS Monitoring System.

## **6.6 Review process**

As already indicated, the monitoring and evaluation will assist in the review of MPRS. The MPRS is meant to be a living document. It is to be revised on a rolling

basis to adapt to circumstances and reflect changing priorities. This is to be achieved through a two-tiered review process. Firstly, there is to be an annual review in January/February of each year, following the annual PER process. The first stage of this review is to analyse progress in implementing the MPRS and achieving the targets within it. This is to be done by the MPRS Monitoring Committee on the basis of the results of the input and output monitoring and evaluation. This document, together with a review of emerging issues, will be widely circulated.

The second stage of the review is to take the form of stakeholders' workshops. The workshops are to discuss the review document for possible revisions to the MPRS. The third stage of the review is to involve the dissemination of a report on the review process and the revised MPRS.

The annual reviews are to be complemented by a comprehensive review process every three years. This comprehensive review is to be more like the initial MPRS Preparation Process, involving District Workshops, Thematic Working Groups and a complete redesigning of the MPRS.