



Institutionalizing M&E systems in Latin American and Caribbean Countries

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Overview: The M&E LAC Regional Conference

As part of the efforts to promote and strengthen the monitoring and evaluation (M&E) systems currently implemented in LAC countries as well as their linkages to the budgetary process, the World Bank (Latin America and the Caribbean Region, Operations Evaluations Department, World Bank Institute, and Poverty Reduction and Economic Management anchor), in partnership with the Inter-American Development Bank (IADB), organized a regional conference to take stock of the lessons learned in the region and to promote an informal network of policy makers and M&E practitioners. Conference participants included government representatives from finance and sector ministries in eleven countries and experts in the field from the WB, IADB, bilateral donors (USAID, CIDA), academia, specialist consulting firms, and other organizations.

The specific conference objectives were:

- (i) To promote knowledge-sharing by taking stock of the M&E systems currently implemented in Chile, Colombia, Brazil, Mexico, and Peru;
- (ii) Foster South-South collaboration;
- (iii) Raise awareness via presentations, and
- (iv) Launch an informal regional network.

A number of government representatives highlighted the value of M&E for LAC countries. M&E helps both governments and donors understand much better what works well, what does not, and the reasons why, in terms of policy interventions and public investments. Monitoring public programs' and institutions' performance helps increase their

effectiveness, provides increased accountability and transparency in how public monies are used, and can inform the budgetary process and the allocation of public resources, thus improving their effectiveness in increasing welfare and, consequently, reducing poverty and increasing equality of opportunities.

It was evident from the country experiences presented that there is no single "destination" for countries. Some stress a system of performance indicators while others focus on conducting evaluations (program reviews or rigorous impact evaluation (IE)). And while some countries have created a whole-of-government approach driven by finance or planning ministries, others are more focused on sector M&E systems. One key characteristic of most of the systems that are now at different stages of implementation in LAC is that they are country-led efforts to institutionalize M&E rather than donor-driven.

Participants noted that the lessons that came out of the conference are relevant not just to the participating countries, but to others in the region and to other regions that may have less experience in institutionalizing a results-orientation within governments. One such lesson is that supply-side issues such as the quality, timeliness, and aggregation levels of performance indicators and the quality of evaluations are important. At the same time, the demand side is critical to strengthening M&E systems. The hallmark of a successful and sustainable M&E system is a high-level use of the findings from M&E activities.

As one participant noted: "*No one wants to conduct M&E for its own sake; rather, it's a means to an end.*"

Countries are driving the efforts to institutionalize M&E systems

No one wants M&E for its own sake; it's only a means to an end

The Chilean Experience—Systems of Management Control and Results-based Budgeting

The Chilean system of management controls and results-based budgeting consists of the following tools: performance indicators; program and agency evaluations (including comprehensive spending reviews); a bidding fund for public programs; management improvement programs linked to performance bonuses for central government employees; and comprehensive management reports. These tools are all integrated into the budget process and create synergies from the conceptual elements in their design and implementation. Care has been taken to maintain consistency in the methodology and to emphasize feedback. (Guzmán, Marcela, “*Systems of Management Control and Results-based Budgeting. The Chilean Experience*” is available at www.dipres.cl/fr_control.html).

“Chile’s system is one of the strongest government M&E systems in the world. In achieving this success, the single most important success factor is probably the location of the M&E system—where the system was designed, progressively developed, and is still managed—in the Ministerio de Hacienda, specifically its Budget Directorate (DIPRES). The Hacienda has succeeded in creating an ‘evaluation factory,’ which includes a well-developed process for planning, commissioning, managing, reporting, and using a range of types of evaluation” (Keith Mackay, discussant at WB-IADB regional conference.)

Other notable features of Chile’s M&E system include:

- DIPRES is extensively contracting out the evaluations to academia and consulting firms. Hacienda manages this process very well; it uses standardized terms of reference for the evaluations, has an open and transparent process of selecting consultants, and makes all evaluation reports available publicly via the DIPRES Web site. The reliance on external evaluators provides one model for other governments to consider. The approach encourages the independence and objectivity of evaluators, and a World Bank study found the evaluations to have a high level of credibility among key stakeholders in the executive and legislative arms of the government and in academia.
- Evaluation results have a strong integration into decision-making, and impact the budget via major program redesign, or program abolition, or confirmation of program effectiveness, or changes in program management. The World Bank review also found that Hacienda uses the evaluation findings intensively; indeed, it collects regular information on the extent and manner in which the findings are used.
- Intensive training of the evaluation community.

Note: The World Bank Report (an evaluation of the Chilean evaluation system) has been commissioned by the WB in Chile (Task Manager Fernando Rojas, LCSPS). See *Chile: Study of Evaluation Program—Impact Evaluations and Evaluations of Government Programs*, WB, 2005.

Lessons Learned

Key issues discussed and main lessons learned from country experience include the following:

- The definition of clear roles and responsibilities of the main actors—Planning and Hacienda Ministries, President’s office, sector ministries, Congress—is important. An incentive framework for these stakeholders to take M&E seriously is key.
- There are many aspects of public sector management supported by M&E systems: budget decision-making, national or sectoral planning, program management, and accountability relationships—to the Congress, President’s office, Hacienda, sector ministries, and civil society.
- Strengthening M&E systems is not only nor even mainly a supply-side issue, “a technical fix”; the demand side is particularly important. For an M&E system to be considered successful and sustainable, M&E information and findings have to be utilized intensively by all stakeholders, such as sector ministries, and depending on how the system has been devised, by civil society. To create a working M&E system requires more than relatively straightforward measures such as a Presidential decree or provision of M&E training courses for officials. These help, but it is essential to have high-level commitment and ongoing support from powerful champions at the ministerial and senior official levels.
- There is no single model for countries (no “one size fits all” approach), in terms of

Main features of M&E Systems in Brazil, Colombia, Mexico, and Peru**

Brazil

- PPA (*Plan Plurianual*) 4-year plan, enshrined in constitution—high level government priorities.
- Main emphasis is on program objectives and performance indicators.
- Main objectives are to ensure the linkage between evaluation results, the plan and budget, capacity building for M&E, and to foster an evaluation culture to enhance policy formulation and implementation. Program focus—programs cross organizational boundaries. The PPA is a key vehicle for addressing major government priorities: “strategic programs.”
- Covers all public expenditures—integrating capital and current.
- The link with the executive budget is not clear—even less so with congressional budget, although law requires consistency of budget with plan. Supported by central SIGPlan information system.
- Challenges: (a) Performance monitoring and evaluation capacity requires further development—few programs have adequate performance indicators, and (b) linking the SIGPlan with the Sector Ministries’ systems (INFRASIG).
- Planned creation of a new M&E system, including targeted evaluations.

Colombia

- National System of Evaluation of Results-based Management (SINERGIA) has been in operation since 1994 and is now overseen by the National Council of Economic and Social Policy (CONPES).
- Its main objective is to measure and track public sector performance to improve resource allocation, formulate the National Development Plan, and provide information for debate on public policies. It has three components: results monitoring, strategic evaluations, and reporting for accountability/social control.
- The Preparation and Objectives and Results-based Management System (SIGOB) is a technology tool that has been successfully implemented since 2002 to support the system.
- Challenges: (a) Linkages—An Inter-sectoral Committee for Evaluation and Results-based Management was created in 2002 to coordinate linkages between evaluation and budget preparation. However, the linkage between evaluation results, planning, and budgeting needs to be strengthened. (b) Indicator overload—simplification actions have been undertaken. Officials can see relationship between policies and priorities and expenditures. (c) Not yet applicable at subnational governments, but replication planned and pilots underway for municipal governments.
- Heavy emphasis on accountability to civil society (“social control”).

Mexico

- Evaluation of Social Programs by the Ministry of Social Development (SEDESOL). M&E system—National Council of Evaluation of Social Development Policy.
- Rigorous impact evaluations now routinely conducted (e.g., Progres/ Oportunidades).
- Performance indicators audited and reported to Congress.
- 2000 Congressional mandate for program evaluations of social programs.
- Challenges: (a) Improve (simplify) the extensive system of performance indicators; (b) agree on an adequate framework for the results-based M&E System Initiative that is being discussed with the Ministry of Finance and other line ministries; (c) enhance the linkage between evaluation results and budgetary decisions; and (d) identify synergies with evaluation initiatives at the state and municipal levels.

Peru

- The Ministry of Finance (MEF) launched a national M&E system (SSEGP) in 2004 as part of wider efforts to promote results-based management. Currently at design stage.
- Objectives: Need to improve quality of public expenditures, currently little information on results of expenditures. Develop performance indicators, targeted evaluations, and audits.

Utilization
of M&E is key
to a system’s
sustainability

The planned M&E network will strengthen South-South learning

Main features of M&E Systems in Brazil, Colombia, Mexico, and Peru (*continued*)

- Performance indicators linked to strategic products and developed at different levels of national government, i.e., sector, organizational unit, activity.
- Challenges: (a) Develop the evaluation framework, including its evaluation tools and criteria to define which programs/projects will be evaluated; (b) strengthen utilization (ownership) of impact indicators by the institutions; and (c) develop indicators for subnational government, where most service delivery takes place.

****Note:** Ongoing WB efforts with these countries include: Brazil-BRAVA Initiative; Peru-in-progress through DECSAL; Public Financial Management II and PLARSSAL II loans to Colombia; and Mexico-IDF grant to the Mexican Ministry of Social Development (SEDESOL).

what a successful, well-performing M&E system looks like: some countries stress regular collection of performance information, others stress evaluation (program reviews, rigorous impact evaluations, etc.), and some stress a broad spectrum of M&E methods. Also, some countries stress a whole-of-government approach driven by finance or planning ministries while others are more focused on sector M&E systems.

- Conservative ministries and staff may resist efforts to implement M&E systems and to use it as a management and budget tool.
- There is an implicit debate on how to prioritize evaluations: choose whether to focus on “problem programs,” pilot programs, high-expenditure or high-visibility programs, or systematic research to respond to questions of program effectiveness.

M&E Regional Informal Network

The event provided an excellent opportunity for participants to identify potential of synergies and learning opportunities regarding M&E systems. It was evident that an increased number of LAC countries are initiating efforts to strengthen and systematize their approach to M&E in a country-driven, and not donor-led, process. In the words of Ernesto May, Sector Director, PREM, Latin America and the Caribbean Region (LAC PREM):

Country efforts to strengthen their M&E systems can be a catalyst for broader public sector reform. The Bank acknowledges a clear demand for a regionwide M&E network.

The network will be open and flexible, attracting decision-makers, practitioners, experts in and outside the government; high-

level officials from sector ministries, finance ministries, and planning departments; parliamentarians; academics; consultants and experts; multilateral organizations; and interested bilateral donors. Network activities are likely to include a virtual discussion space, staff secondments, joint training, study tours, and regional and subregional conferences. The conference proceedings will be published in Spanish and English.

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Further reading

World Bank. 2005. *Chile: Study of Evaluation Program—Impact Evaluation and Evaluations of Government Programs.*

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