

MONITORING AND EVALUATION

National System

Each of the five DMCs has at least one institution¹⁷ responsible for conducting household surveys, collecting data against poverty indicators, and estimating a national poverty line and/or the incidence of poverty. Most of these institutions receive external assistance, largely from WB. None of them are mandated or equipped to monitor the impact of externally financed projects on the incidence of poverty. Other central agencies, which monitor project performance, tend to focus on implementation and financial performance and do not compile data on project-specific poverty reduction indicators.

ADB-Financed Projects

Planned

Eighty-five percent of the projects generally mentioned the requirement to collect benefit monitoring and evaluation data in accordance with ADB guidelines, which includes benchmark, monitoring, and evaluation data. However, the type of data required focused on physical and financial implementation, with an occasional cursory mention of socioeconomic data. Although some projects required collecting income data from households, they did not create the awareness that this information should be computed and used for an analysis of poor/nonpoor beneficiaries and the benefits provided to them.

Fourteen projects assigned the responsibility for collecting monitoring data to the project management or implementation unit, assisted by consultants. These units are, by necessity, preoccupied with project implementation matters and do not have much time to take interest in project benefit monitoring. Benefits should continue to be produced long after the completion of project implementation. Therefore, benefit monitoring, by nature, should be part of the government's own monitoring and evaluation system to ensure actual use of data and continuity of collection, something not considered in any of the project designs.

The feedback process is not defined. A few projects suggest that monitoring data be used to ensure the effectiveness of implementation and production of benefits. However, there is no evidence of a systematic feeding of the monitoring data into a decision-making process that is concerned to ensure that benefits reach the poor. An effective feedback process needs to be based on the data needs of the information users, determine how data is analyzed and interpreted to derive useful information for decision making, and ensure that data is systematically used for operational management of facilities and services. To address poverty reduction issues, this data has

¹⁷ Bangladesh Bureau of Statistics; Ministry of Labor and Social Protection and National Statistical Committee in the Kyrgyz Republic; National Statistical Center in the Lao PDR; Nepal Rastra Bank; and National Statistical Coordination Board, National Statistics Office, and National Economic Development Authority in the Philippines.

to be compiled in such a way that the distribution of benefits among the different income groups can be distinguished.

Actual

Fourteen projects collected benchmark data, but only eight conducted subsequent monitoring surveys. The benchmark information included socioeconomic details, but none of the surveys presented data that would show the distribution of benefits to the poor and nonpoor or whether the poor benefit at all. Only two projects collected information on benefits rather than physical and financial

implementation. Of the 14 projects that collected benchmark data, 3 involved staff of the executing agency and the others relied entirely on consultants. In general, data was collected to meet ADB's requirements (loan covenants) but hardly to serve any management purpose. Only one case was reported where data was used to take corrective actions that would address poverty issues (Loan 1311-NEP).¹⁸ Appendix 4 provides an overview of poverty-related project monitoring and evaluation.

¹⁸ Loan 1311-NEP(SF): *Irrigation Management Transfer*, for \$12.9 million, approved on 13 September 1994.