



Monitoring and Evaluation Systems in Guyana

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Abstract

For at least the past 10 years, the Government of Guyana has been implementing reforms aimed at improving public sector efficiency and effectiveness. In the past few years, special attention has been given to the introduction of Monitoring and Evaluation (M&E). This Technical Note analyzes Guyana's current M&E capabilities, as well as a proposed M&E Strategy and Action Plan. The analysis shows that the development of institutional M&E capacities has started but is not running on the Action Plan schedule. This may be explained by unrealistic implementation expectations. Moreover, the plan to increase the availability of performance information needs to be complemented with specific measures to institutionalize the use of such information in policymaking and to increase the availability of information to the public. This Technical Note includes a list of recommendations that, if followed, should help increase Guyana's chances of successfully implementing and sustaining M&E.

JEL codes: H11, H83, H43

Keywords: Guyana, managing for results, monitoring and evaluation, M&E, government performance, public administration

TABLE OF CONTENTS

1	Introduction.....	4
1.1	Objective.....	4
1.2	Country Context.....	4
1.3	Conceptual Framework.....	6
2	Analysis of the Actual and Planned Monitoring and Evaluation System in Guyana	11
2.1	Historical Development and Legal Framework.....	11
2.1.1	Historical Development	11
2.1.2	Legal Framework.....	11
2.2	Institutional Capacity of Government Entities	13
2.3	Data Collection Systems.....	17
2.4	Use of Information.....	20
3	Conclusions and Recommendations	23
	References.....	27

LIST OF ACRONYMS

FMAA	Fiscal Management and Accountability Act
GDP	Gross Domestic Product
IDB	Inter-American Development Bank
IMF	International Monetary Fund
LAC	Latin America and the Caribbean
LCDS	Low Carbon Development Strategy
M&E	Monitoring and Evaluation
MfDR	Managing for Development Results
NSS	National Statistics System
OECD	Organisation for Economic Co-operation and Development
PET	PRODEV Evaluation Tool
PRODEV	Program for the Implementation of the External Pillar of the Medium-Term Plan of Action for Effectiveness in Development
PRSP	Poverty Reduction Strategy Paper
SMART	Specific, Measurable, Achievable, Relevant, and Time-Bound

1 INTRODUCTION

1.1 Objective

Starting in the past decade, Guyana has shown successful efforts in achieving economic growth and improving its fiscal condition. In more recent years, the Government of Guyana has increased its focus on improving the efficiency of public expenditures. An important step in that direction was the elaboration of the Strategy and Action Plan for Institutionalizing Monitoring and Evaluation in Guyana (M&E Action Plan). The main objectives of this Technical Note are (i) to review the country's current M&E capabilities, (ii) to analyze the proposed M&E Action Plan, and (iii) to provide recommendations to improve the design and implementation of the M&E Action Plan. Our analysis is largely based on the findings of a recent assessment known as the PRODEV Evaluation Tool (PET) and the provisions of the M&E Action Plan.

1.2 Country Context

Guyana is considered a lower middle-income country, with a per capita Gross Domestic Product (GDP) of \$3,584 in 2012 (The World Bank, 2013). Its economy is predominantly based on agriculture and primary resources, but with an expanding services sector (Inter-American Development Bank, 2012). After experiencing years of poor economic performance, with three years between 2000 and 2005 recording negative growth, the country's situation has improved markedly, with average real GDP growth of 4.6 percent between 2006 and 2012 (International Monetary Fund, 2013). During this growth period, debt relief and fiscal discipline helped reduce Guyana's external debt burden considerably (International Monetary Fund & The World Bank, 2011).¹ Public sector debt declined from 116 percent of GDP in 2005 to 64 percent of GDP in 2012 (Inter-American Development Bank, 2014), allowing the country to allocate more

¹ As part of the Highly Indebted Poor Country (HPIC) debt relief and the Multilateral Debt Relief Initiative (MDRI), the Inter-American Development Bank cancelled US\$356.5 million of Guyana's outstanding debt in January 2007 (Inter-American Development Bank, 2012). Moreover, in 2006–07, the International Monetary Fund, the World Bank, and the IDB provided debt relief amounting to US\$611 million under the MDRI. In November 2006, Japan finalized its bilateral debt cancellation agreement and wrote off its claims as part of the 2004 Paris Club agreement. Further, the non-financial public sector (NFPS) deficit declined steadily from 8.6 percent of GDP in 2005 to 3.4 percent of GDP in 2009 (International Monetary Fund & The World Bank, 2011, p. 1).

appropriate levels of social spending in the midst of the global crisis.² The country relies mainly on multilateral and bilateral agencies to cover its short- and long-term fiscal gaps, with the Inter-American Development Bank (IDB) being its principal partner.³

In a context of difficult economic conditions, and with the support of the IDB and the international donor community, Guyana has embarked on several governance reforms since the beginning of the 2000s (Inter-American Development Bank, 2012). Among those are reforms linked to improving the efficiency and effectiveness of public expenditures through the implementation of Management for Development Results (MfDR).⁴ In 2003, Guyana introduced the *Fiscal Management and Accountability Act* (FMAA), which laid out reforms to improve budgeting and the financial management system. For example, section 15 of the FMAA introduced program-based budgeting, and section 72 of the same Act instituted the Programme Performance Statements as a tool to measure effectiveness of budget programs. The elaboration of the FMAA marked the beginning of Guyana's transition toward a program-based budgeting structure.

Governance reforms continued as economic conditions improved. Recent initiatives include the elaboration of two national strategic planning documents: the Low Carbon Development Strategy (LCDS) 2009–2020, and the Poverty Reduction Strategy Paper (PRSP) 2011–2015.

In 2009, during this period of governance reforms, the IDB initiated a study known as the PET; Guyana was part of this study. The purpose of the PET is “to analyze the institutional capacity of countries in the Latin American and Caribbean (LAC) region to implement MfDR” (García López & García Moreno, 2010, p. 14). The results of the first PET placed Guyana among the countries with the lowest levels of MfDR capacity.

² Education spending increased from US\$77 million in 2006 to US\$124 million in 2011 (61 percent growth), health spending increased from US\$42.7 million to US\$81.9 million (91.8 percent), and housing spending increased from US\$24.8 million to US\$62.9 million over the same period (153 percent). (Inter-American Development Bank, 2012, p. 1).

³ The IDB is Guyana's main development partner, providing average disbursements of nearly 45 percent of the externally financed public capital expenditures between 2007 and 2011 (Inter-American Development Bank, 2012, p. 2).

⁴ MfDR is “a management strategy that guides the actions of the public actors of development to generate the greatest public value through the use of management tools that, in a collective, coordinated, and complementary manner, are implemented by public institutions to generate fair and sustainable social changes for the benefit of the population as a whole” (García López & García Moreno, 2010, p. 6). That same publication highlights planning, budgeting, financial management, public investment, service delivery, and monitoring and evaluation as key MfDR areas.

In 2011, as result of a Technical Cooperation⁵ project between the Ministry of Finance and the IDB, an M&E Action Plan called “A Strategy and Action Plan for Institutionalizing Monitoring and Evaluation in Guyana” was produced. It is a five-year strategy and action plan with the purpose of “defining an M&E system and associated Action Plan that would be appropriate for Guyana” (Lahey, 2011, p. 5). This document includes a clear description of the proposed M&E system, including its components, institutional roles and responsibilities, and a detailed five-year schedule for its implementation. At the time of writing this Technical Note, the implementation of M&E had been underway for two years.

In 2013, the IDB finished the second application of the PET in Guyana. The results of the PET show that Guyana has improved in most of the areas covered by the assessment. This Technical Note builds on the results of the second application of the PET, focusing specifically on one of its components -M&E- given that this is one of the areas of MfDR that has shown the most evidence of progress since 2009 and significant government efforts have been put toward its advancement in recent years.

1.3 Conceptual Framework

Delivering more and better services under a scenario of fiscal constraints is one of the main challenges faced by governments around the world. This challenge pressures governments to increase effectiveness and efficiency in public management. One of the most widely used instruments to improve efficiency and effectiveness of public expenditures is the implementation of MfDR, which can be defined as “a management strategy that guides the actions of the public actors of development to generate the greatest public value through the use of management tools that, in a collective, coordinated, and complementary manner, are implemented by public institutions to generate fair and sustainable social changes for the benefit of the population as a whole” (García López & García Moreno, 2010).

The management tools mentioned in the definition of MfDR can be congregated into different areas, known as the five pillars of the management cycle: (i) results-based planning; (ii) results-based budgeting; (iii) financial management, audit, and procurement; (iv) program

⁵ Technical Cooperation GY-T1038: “Supporting the PRSP Process: Towards the Institutionalization of a Monitoring and Evaluation Framework.”

and project management (including the public investment system); and (v) monitoring and evaluation of public management.

These pillars do not work independently; instead, they are deeply interrelated. For example, the goals and objectives defined through the planning process must be directly reflected in the budgeting process by allocating resources that will allow public institutions to work toward those goals. Likewise, MfDR requires that the decision-making process is based on reliable information about the effects of government action on society. Therefore a crucial factor for implementation is measuring results or impacts that a government intervention produces. This assumes “the availability of instruments that capture these variations, of systems that process the information, and of procedures that include data analysis in the decision-making process” (García López & García Moreno, 2010). The need to have these accurate measurement instruments and systems has led many countries to the development of M&E systems to provide reliable information about government performance.

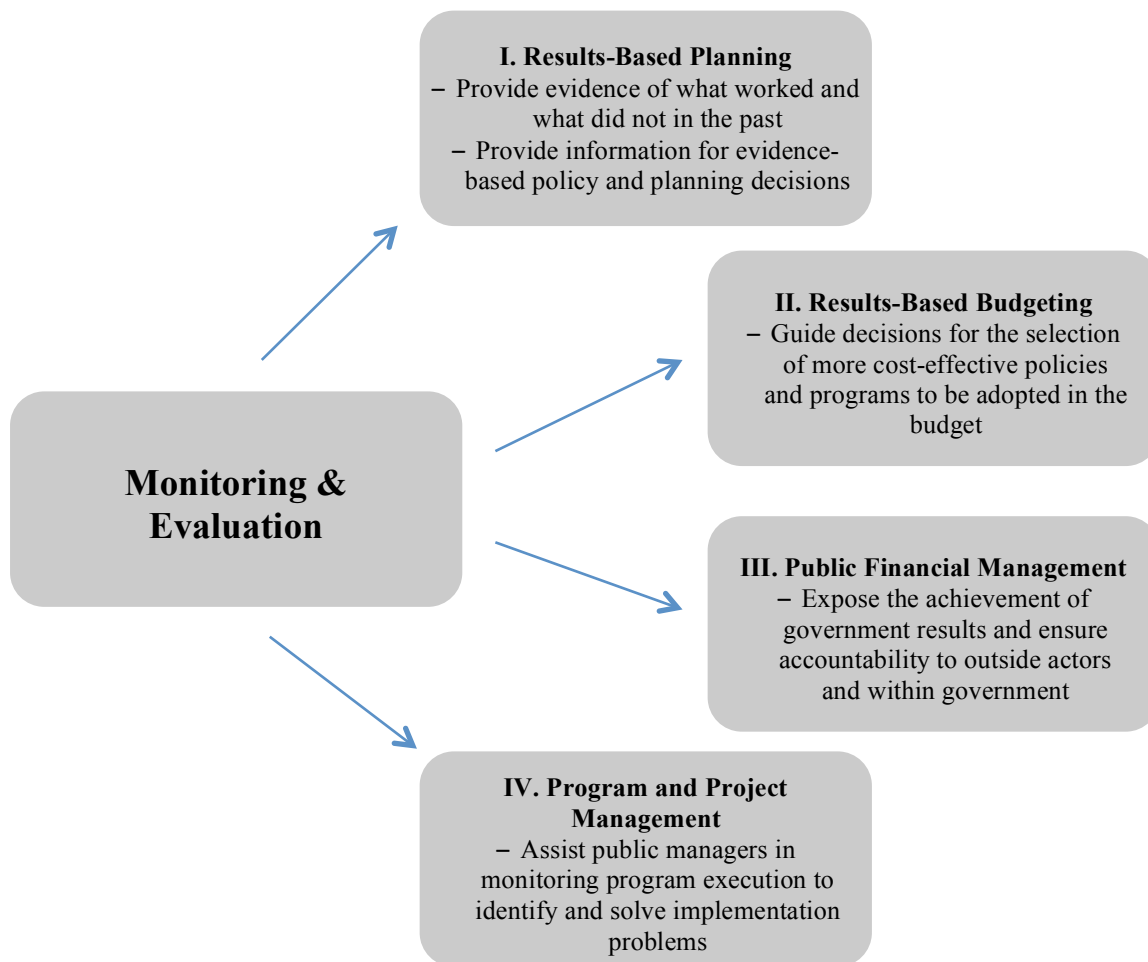
In simple words, a successful M&E system “can identify what works, what does not, and the reasons why” (Krause, Mackay, & Lopez-Acevedo, 2012, p. 3). More formally, the Organisation for Economic Co-operation and Development (OECD) provides the following definition of M&E⁶:

- **Monitoring:** A continuous function that systematically collects data on specific performance indicators to provide administrators and stakeholders of a development intervention data on the progress and achievement of the objectives as well as on the use of the allocated funds at a given point in time.
- **Evaluation:** Systematic and objective assessment of a project, program, or policy in progress or completed, its design, implementation, and results. The objective is to determine the relevance and the achievement of the objectives, as well as the efficiency, efficacy, impact, and sustainability for development. An evaluation should provide credible and useful information that makes it possible to incorporate the lessons learned in the decision-making process.

⁶ Definition taken from Organisation for Economic Co-operation and Development, 2002.

In order to understand the important contribution of M&E, it is essential to analyze its transversal character. Figure 1.1 illustrates the role of M&E in the different stages of the MfDR policy cycle.

Figure 1.1. Role of M&E in the MfDR Cycle



Source: Authors’ elaboration based on García López & García Moreno, 2010, p. 14.

Implementing an effective M&E system is a significant challenge. In fact, one of the findings of the first application of the PET was that M&E is among the MfDR areas with the lowest level of development in LAC, with only four countries in the region (Brazil, Chile, Colombia, and Mexico) presenting monitoring systems that properly feed MfDR systems (García López & García Moreno, 2010).

This Technical Note presents the results of the second application of the PET’s assesment of M&E and expands its scope by examining the M&E Action Plan in more depth and presenting

recommendations on practices and processes to improve implementation of M&E. Most of the analyses in this Technical Note focus on contrasting Guyana's current institutional capacities and those they expect to build as described in their M&E Action Plan with the ideal characteristics of M&E. The framework for the analysis is organized as follows:

- **Historical development and legal framework:** The context in which M&E is conceived is likely to determine many of its characteristics. Therefore, analyzing this context can help gain a clear understanding of those characteristics and contextualize the M&E system's relationships with other government systems. For example, an M&E system that is part of a budgeting reform will look different from one that is part of a strategic planning reform. In addition, legal frameworks are important determinants of the objectives, leadership, and sustainability of every government system. This section examines the motivations of the proponents of M&E reforms and reviews the elaboration process of the M&E Strategy and Action Plan. It also evaluates whether the existing legal framework for M&E is clear and updated, and whether it provides an appropriate background for M&E to develop.
- **Institutional capacity of government entities:** The government entity that oversees (or directly administers) M&E needs to have the institutional capacity to accomplish its tasks and to assist other government agencies in doing so. This section contrasts the current and expected institutional capacities of the government entity that oversees the M&E system. Some of the specific topics covered in this section include the existence of institutionalized technical processes, the relationships and responsibilities that government agencies have between each other, and the existence of channels that promote the sustainability and development of systems (such as training programs).
- **Data collection systems:** The historical, legal, and institutional factors analyzed in the previous sections are expected to lead to the institutionalization of M&E. This section provides an analysis of Guyana's current and planned data collection systems, including general overarching topics and specific technical details that differ from one system to another. The general topics include the scope and coverage of data collection. For the

monitoring systems, the analysis includes the use of the SMART⁷ framework for developing performance indicators. For evaluation systems, specific themes include preparing and financing a multi-year evaluation program and using different types of evaluations. Finally, the analysis includes the national statistics system (NSS), given its importance for data collection. For the NSS, the specific technical details comprise using international quality standards and including the main social, demographic, economic, and environmental surveys.

- **Use of information:** Even the most robust and comprehensive M&E system is useless if the government does not use the information the system produces. It is necessary to establish institutionalized criteria and procedures to incorporate performance information into government decision-making. The ways in which the information is used may vary greatly. The analysis presented in this section pays special attention to the current and proposed use of information to fulfill the objectives of the reforms, which may range from providing public information (increased transparency and accountability) to prioritizing resource allocation (budgetary decisions).

⁷ The acronym SMART stands for five general characteristics that performance indicators should have: Specific, Measurable, Achievable, Relevant, and Time-Bound. The SMART concept was outlined first by Peter Drucker (Drucker, 1954).

2 ANALYSIS OF THE ACTUAL AND PLANNED MONITORING AND EVALUATION SYSTEM IN GUYANA

2.1 Historical Development and Legal Framework

2.1.1 Historical Development

As described in the introductory section of this Technical Note, Guyana's economic situation has changed significantly during the past decade. Between 2000 and 2005, the country experienced low or even negative GDP growth, but economic performance gained pace after 2006. This changing context was the backdrop for implementing governance reforms, which started during years of poor economic performance and continued through the strong performance years.

The elaboration of Guyana's M&E Action Plan in 2011 can be considered as a consequence of increasing demand for performance information that came up from budgeting, planning, and the donor community. The introduction of the FMAA in 2003 included provisions such as the creation of the budgetary Programme Performance Statements. The elaboration of such statements requires more detailed performance information from budgetary programs. Demand for the introduction of M&E was further intensified by the elaboration of strategic planning documents such as the LCDS and the PRSP.⁸ Finally, international donors became more interested in measuring the performance of the projects they funded.

In 2010, the Government of Guyana began a process to improve the availability of performance information with the elaboration of two studies. The first provided "an up-to-date analysis of the current state of M&E in Guyana." The second identified "the architecture for the M&E model to be instituted" (Lahey, 2011, p. 5). These documents laid the foundation for the development of Guyana's M&E Action Plan.

2.1.2 Legal Framework

To turn M&E into one of the pillars of governmental management, it is imperative to have a legal framework that establishes the extent of its use and defines the interdependences between

⁸ As shown later herein, evaluation activities in Guyana have been introduced initially for projects funded by international donors.

planning and budget formulation. Legal frameworks can help M&E become a crucial instrument for public management by mandating a compulsory link between M&E and decision-making.

Table 2.1 details the main elements of analysis for M&E legal frameworks. The first column shows the recommended features that an M&E legal framework should have.⁹ These elements are contrasted against the current situation in Guyana and the proposals set forth in the M&E Action Plan, described in the second and third columns, respectively.

Table 2.1. Elements of Analysis for M&E Legal Framework

Recommended elements	Current legal framework	Proposed in the M&E Action Plan
Definition of processes and institutional responsibilities regarding M&E	- There is no current legal framework providing such definitions.	- There are no recommendations to incorporate processes and institutional responsibilities of M&E in the country’s legal framework. However, the M&E Action Plan defines those processes and institutional responsibilities.
Linkage between national planning objectives and M&E	- There is no current legal framework linking planning objectives and M&E.	- There are no recommendations to include monitoring the objectives of the national plan in the country’s legal framework. However, the M&E Action Plan provides for the need to monitor and evaluate the objectives from the planning system.
Linkage between collection of performance information and budgeting decision-making processes	- There is no current legal framework linking the collection of information with budgeting decision-making processes.	- There are no recommendations to create a legal mandate for the linkage of evaluations with national planning or budget formulation. However, the M&E Action Plan includes informing budgeting decision-making as one of its objectives.

Source: Authors’ elaboration based on the PET and Lahey, 2011.

The analysis in the above table shows that the country does not have a legal framework that properly serves M&E. The FMAA appoints the Ministry of Finance as the responsible entity for “controlling and monitoring execution of the annual budget (section 7-2-d)” and “monitoring, controlling, and reporting on the execution of the current and capital components of the annual

⁹ The list of elements is based on the ones covered by the PET.

budget (8-1-e).” However, no regulations have been approved that further develop or expand this formal starting point. There is no definition of M&E processes and institutional responsibilities, and no link between M&E and the national planning objectives or the budgeting process has been established. Therefore, it is difficult to implement and enforce a mechanism to apply M&E throughout the country.

As for the planned M&E capabilities, despite the fact that the M&E Action Plan does not explicitly recommend actions to strengthen the current legal frameworks, it does define M&E processes and institutional responsibilities, provides for the need to monitor and evaluate the objectives from the planning system, and includes informing budgeting decision-making as one of its objectives. Therefore, the M&E Action Plan could serve as a useful guiding document for the development of an M&E legal framework in the country. Specific details on M&E institutional responsibilities, technical processes, and the linkage with planning and budgeting will be examined in the following sections.

2.2 Institutional Capacity of Government Entities

The previous section shows that having a good legal framework can help institutionalize M&E. Nevertheless, a law or decree on its own is not enough. Having strong leadership that has the ability to make the push to institutionalize M&E throughout government is also important. For this to occur, the government entity in charge of the M&E system must have sufficient institutional capacity to accomplish its tasks and to compel and guide other government agencies in achieving them.

Table 2.2 presents the main elements for analysis of the institutional capacity of government entities in charge of M&E.¹⁰ The first column shows the recommended capacities, the second reviews the current situation, and the third examines the expected situation based on the M&E Action Plan.

¹⁰ The list of elements is based on the ones covered by the PET.

Table 2.2. Elements of Analysis for the Institutional Capacity of Government Entities in Charge of M&E

Element of analysis	Current situation	Proposed in the M&E Action Plan
Clear definition of its roles and responsibilities, and those of other institutions under its supervision	- A Central M&E Unit within the Office of the Budget was set up for a number of roles, such as providing guidance, direction, and oversight of M&E.	- The M&E Action Plan defines the roles and responsibilities of the Central M&E Unit and other institutions under its supervision.
The entity responsible for M&E has technical, administrative, and budgetary autonomy to accomplish its functions.	- The M&E Division within the Office of the Budget has no autonomy given that it is part of the Ministry of Finance.	- The current situation was proposed in the M&E Action Plan. It does not provide for the autonomy of the entity responsible for M&E.
The entity responsible for M&E has institutionalized processes through manuals and methodologies that are subject to periodic examination	- There are no manuals or methodologies to carry out technical processes. The work is currently in progress.	- The M&E Action Plan includes introducing guidelines for performance measurement, monitoring, reporting, and evaluation. The M&E Action Plan also contemplates periodic examination of the guidelines.
The entity responsible for M&E provides training and regular advisory services to other institutions involved in M&E activities	- Training and advisory services have been provided on the design and review of indicators.	- The M&E Action Plan includes a training strategy and periodic training workshops.
The entity responsible for M&E has adequate human and technological resources to carry out its activities	- Current capabilities are still at an initial level because the Central M&E Unit was only created recently.	- The M&E Action Plan includes strengthening human and technological capabilities for M&E.

Source: Authors' elaboration based on the PET and Lahey, 2011.

The analysis in the above table shows that the institutional capacities of M&E in Guyana are in an initial phase. For example, a Central M&E Unit was recently created within the Ministry of Finance, work is in progress for the institutionalization of technical processes, and some training seminars have been provided to improve the capacities of other institutions involved in the M&E system. These advancements are the consequence of the first years of implementation of the M&E Action Plan.

The M&E Action Plan involves several government institutions, with most of the responsibilities distributed between the Ministry of Finance and line ministries. The former assumes a leadership and coaching role, while the latter, which spend public monies, have the most data collection responsibilities. In that sense, the M&E Action Plan describes the system “as one of Ministerial delivery and Central leadership” (Lahey, 2011, p. 16). The Office of the President, the Bureau of Statistics, and other government and non-government institutions complement the system.

Figure 2.1 presents a summary of the roles and responsibilities of each institution. The summary shows that the Ministry of Finance has complete leadership and control over M&E, including the ability to set priorities, determine rules, assess quality, and present results. In turn, line ministries are responsible for planning and executing data gathering using M&E systems. At the same time, they are expected to introduce a performance framework that will link their goals to the overarching goals of their sector.

Such an arrangement could make it easier for line ministries to become more interested in M&E and to start using the outputs for their own purposes, as opposed to seeing the evaluations as an externally imposed burden. Also, sharing the burden of the day-to-day operation can ease the process of setting up M&E by reducing the need for a single institution to provide large numbers of specialized staff (Krause, Mackay, & Lopez-Acevedo, 2012). Another important aspect of the institutional framework provided in the M&E Action Plan is that evaluations are the responsibility of the M&E Central Unit. This set up, unlike one where an independent body carries out evaluations, may compromise the autonomy of the evaluation system.

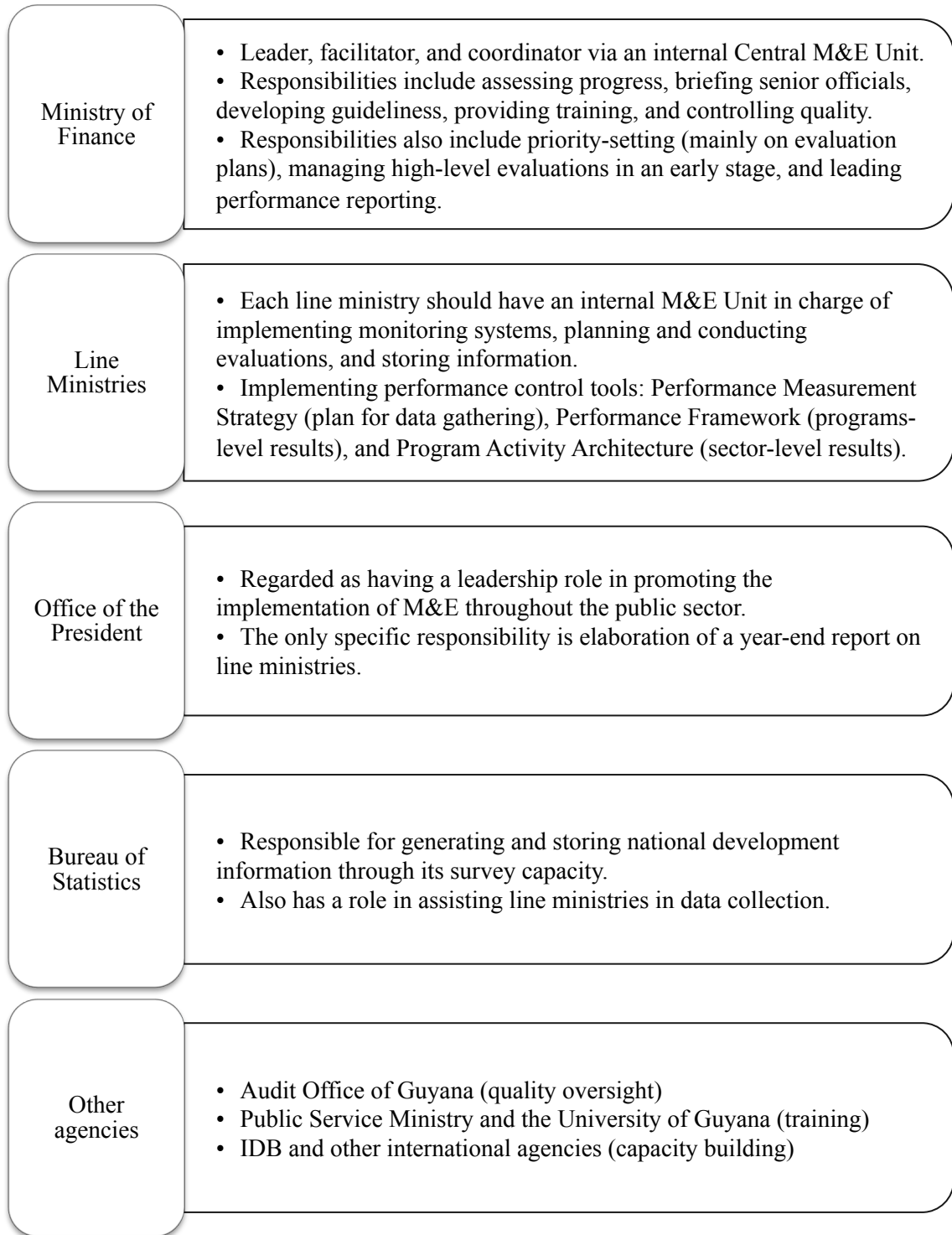
In order to meet their roles and responsibilities, the Ministry of Finance and the line ministries are expected to undertake capacity-building activities. Using the results from the PET,¹¹ we contrast the expected developments according to the M&E Action Plan with the actual capacity-building level up to beginning of 2013. Table 2.3 shows that the development of institutional capacities has started, mainly through the creation of the central M&E Unit at the Ministry of Finance, and through work done at the two pilot line ministries.¹² However, Table 2.3 also shows that capacity building activities are not running on schedule. It becomes noteworthy that the M&E Action Plan intends to have established M&E in all public sector

¹¹ The assessment from the PET reflects the situation up to mid-2013. Therefore, we compare those results with what was expected to be accomplished by the end of 2012 according to the M&E Action Plan.

¹² Human and technological capabilities were not included in Table 3 because, unlike the elements included, the development of human and technological capabilities does not follow a detailed schedule.

institutions within a period of only five years. Such an ambitious and potentially unrealistic goal might be the main reason implementation is behind schedule.

Figure 2.1. Summary of Main Roles and Responsibilities for Each Institution



Source: Authors' elaboration based on Lahey, 2011, p. 22.

Table 2.3. Comparison of Expected Developments According to the M&E Action Plan and the Findings of the PET

Institution	Area	2011	2012	PET-BL 2013
Ministry of Finance	Institutional arrangements	Establish Central M&E Unit at Ministry of Finance	-	Central M&E Unit has been established at the Ministry of Finance.
	Guidelines	Elaborate guidelines for planning, execution, and reporting monitoring and evaluation activities.	Assisting line ministries in implementing guidelines.	Manuals and methodologies are being created, but are not yet completed.
	Training	Develop training strategy and begin training workshops.	Continue training and involve other partners (like universities).	Initial training services have been provided since 2011.
Line Ministries	Start pilot programs	Two line ministries: Education and Health	Add four more line ministries.	Implementation has advanced almost exclusively in the first two pilot ministries.

Source: Authors' elaboration based on the PET and Lahey, 2011, pp. 30–2.

2.3 Data Collection Systems

A main driver of the effectiveness of M&E is the amount, quality, and periodicity of information produced. Therefore, it is crucial to establish a set of elements that enable the data collection systems to be relevant and reliable. In this section, we analyze the two main data collection systems: monitoring and evaluation. We complement the analysis with a revision of another important data collection system: national statistics.

Table 2.4 introduces the main characteristics of M&E data collection tools.¹³ The first column shows the recommended characteristics for each data collection system, the second reviews the current situation, and the third examines the expected situation based on the M&E Action Plan.

¹³ The list of characteristics is based on the ones covered by the PET.

Table 2.4. Characteristics of Specific Data Collection Systems

Monitoring		
Characteristics	Current situation	Proposed in M&E Action Plan
Existence of a monitoring system based on performance indicators that cover program's inputs, processes, products, and outcomes	- No nationwide monitoring system has been implemented; however, there has been certain progress at the line ministry level.	- The M&E Action Plan includes the implementation of a monitoring system based on performance indicators. The monitoring system is expected to cover the entire value chain or outcome sequence.
Implementation of internal and external quality control mechanisms	- Quality control mechanisms are not yet operational.	- The M&E Action Plan calls for the use of planned annual reviews and a system-wide assessment in year four.
The monitoring system covers programs and projects throughout all government institutions	- The monitoring system is not yet operational.	- The monitoring system is expected to cover all programs, projects, and institutions.
Evaluation		
Characteristics	Current situation	Proposed in M&E Action Plan
Existence of a multi-year evaluation program	- A multi-year evaluation program is being discussed as part of a pilot program.	- The M&E Action Plan includes the elaboration of a multi-year evaluation program.
The multi-year evaluation program includes the use of different types of evaluations	- The multi-year evaluation program has not yet been created.	- Four kinds of evaluations are proposed: rapid appraisal or special studies, rapid evaluations, impact evaluations, and strategic or policy evaluations.
Evaluations cover all governmental programs, projects, and institutions	- Evaluations have been contracted only based on donor-specific requirements.	- The evaluation system is expected to cover all governmental programs, projects, and institutions.

Source: Authors' elaboration based on the PET and Lahey, 2011.

The analysis of the above table shows that implementation of M&E tools is still at an early stage. For monitoring, only one of four line ministries analyzed by the PET was found to

have a functional system.¹⁴ However, even in that case, only the basic elements of a monitoring system have been implemented. For evaluations, a multi-year program has not been defined yet (although it is currently in discussion) and evaluations have only been contracted for donor projects based on their requirements.

Regarding planned capabilities for M&E data collection systems, the M&E Action Plan presents a list of one monitoring and four evaluation tools. For monitoring, the tool is a performance monitoring system. For evaluations, the tools are: rapid appraisal or special studies; rapid evaluations; impact evaluations; and strategic or policy evaluations (Lahey, 2011, pp. 11–12). It also provides details on the benefits of each of the five tools and states that “ideally the strategy for performance measurement for Guyana would eventually include all five components (...). With Guyana still in infancy insofar as M&E is concerned, the focus on early years should be on what is doable” (Lahey, 2011, p. 11).

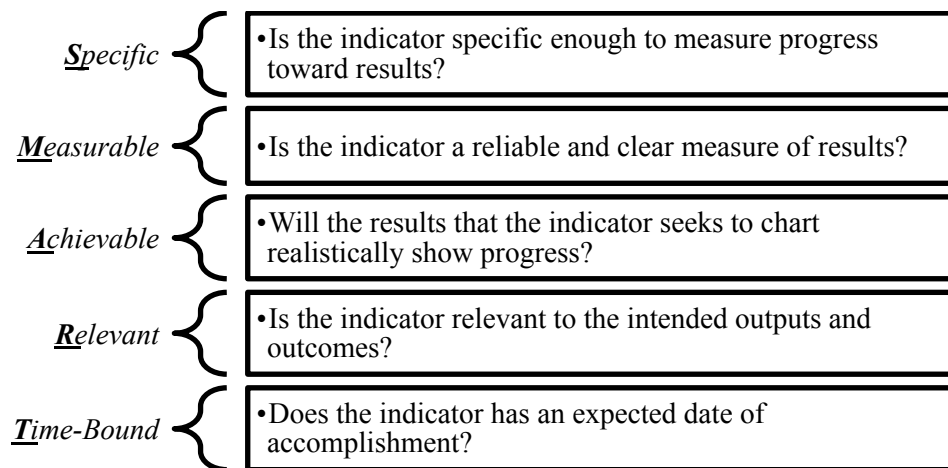
The M&E Action Plan, however, does not clearly detail which of those tools are currently doable and which are not, nor are these tools matched in relation to how each could help reach the objectives of M&E. Furthermore, the yearly action plan only details when each line ministry is supposed to implement M&E, but it does not differentiate between specific tools to be implemented. The lack of details regarding the tools raises some doubts. For example, the yearly section of the M&E Action Plan does not specify what or when each institution is expected to develop monitoring systems. The same issue is observed for evaluations, where the yearly section of the M&E Action Plan does not specify the tools to be used. Instead, the activity “Pilot ministries continue to measure, monitor, evaluate, and report on performance/results” is repeated for all years from the second (2012) to the fifth (2015).

Besides the limitations mentioned in the previous paragraph, the M&E Action Plan provides little advice regarding adequate development of performance indicators and evaluations. There are several quality considerations that the Central M&E Unit should examine when implementing its initial M&E toolkit. Figure 2.2 shows an example of a set of widely recognized quality considerations for performance indicators known as SMART. For evaluations, quality considerations should cover the four types of evaluations included in the

¹⁴ The four line ministries analyzed are: Ministry of Health; Ministry of Public Works; Ministry of Labour, Human Services, and Social Security; and Ministry of Education. The Ministry of Health was the only one that was found to have a monitoring system.

M&E Action Plan: rapid appraisal or special studies; rapid evaluations; impact evaluations; and strategic or policy evaluations.

Figure 2.2. The SMART Framework as a Tool for the Quality of Performance Indicators



Source: United Nations Development Programme, 2011, p. 63.

As of today, the NSS continues to be Guyana’s best data collection system. Unlike M&E, the NSS has been functioning for more than five decades under the direction of the Bureau of Statistics. The results of the PET show that the Bureau currently complies with international standards for generating statistics, and that it conducts some surveys in a timely manner, such as the national census and the Demographic and Health Survey. However, the Bureau still does not gather several surveys with the standard frequency,¹⁵ nor does it comply with certain standards that facilitate the use of and increase the reliability of its information, such as the publication of its micro-data.

2.4 Use of Information

One of the most important characteristics of M&E is using the information in one or more stages of the policy cycle. If the government does not incorporate the information into its decision-making process, then M&E is of little or no value.

¹⁵ The list of surveys that the PET found not to be collected at all or not to be collected with adequate periodicity are: household surveys (with emphasis on living conditions), information gathering based on vital population registries, livestock census, household surveys (with emphasis on income and expenditures), household surveys (with emphasis on employment), business surveys, and publications based on financial registries.

Table 2.5 presents a list of potential uses of the information gathered through M&E.¹⁶ The first column shows potential uses of , the second reviews the current situation, and the third examines the expected situation based on the M&E Action Plan.

Table 2.5. Potential Uses of the Information Gathered Using M&E

Uses of information	Current situation	Proposed in M&E Action Plan
There are institutionalized criteria and procedures to use M&E information for the design and updates of government plans	- The two national plans—the LCDS and the PRSP—have not been updated yet. There are no clear procedures established for when such updates will come.	- The M&E Action Plan establishes that performance information be used as an input for national planning.
There are institutionalized criteria and procedures to use M&E information for budgeting decision-making	- Quarterly Programme Performance reports are reviewed, but there are no defined procedures to incorporate the results into decision-making processes.	- The M&E Action Plan establishes that the Ministry of Finance and line ministry managers should use performance information for program budgets.
There are institutionalized criteria and procedures to use M&E information to correct and optimize the performance of institutions, programs, and projects	- No established procedures exist.	- The M&E Action Plan establishes that program managers and senior managers within individual ministries should use performance information internally.
Dissemination of the results of the monitoring and evaluation systems	- As there is no M&E information, no publications could have been done yet.	- There are no specific objectives linked to dissemination and/or transparency in the M&E Action Plan.

Source: Authors' elaboration based on the PET and Lahey, 2011.

The previous section showed that currently M&E is still at an early stage in Guyana, with both monitoring and evaluation activities just starting. For that reason, performance information is still scarce and, therefore, using performance information for policymaking purposes is

¹⁶ The list of potential uses of the information is based on the ones covered by the PET.

uncommon. Consistently, the table above shows that there are no institutionalized criteria and procedures for using performance information to correct the course of the institutions, programs, or projects, or to improve planning and budgeting decision-making.

For the planned use of M&E information, as explained in the historical development section, Guyana's M&E Action Plan was elaborated, at least partially, because of the information needs raised by the introduction of a program-based budget and by the elaboration of strategic planning documents. Page 16 of the M&E Action Plan states that the objective of proposed M&E "is to gather and use program results information that could be used in a variety of ways" and a list of six ways of using information follows.¹⁷

While providing a list of the expected uses for the information collected through M&E is a good first step, the M&E Action Plan does not provide specific details on the mechanisms through which information will be used. For example, the yearly section of the M&E Action Plan only says that in the last year, 2016, "results feed into policy and program decision-making" (Lahey, 2011, p. 35) but does not explain the criteria or processes that will be used to allow the information to feed into policy and program decision-making.¹⁸

Institutionalizing criteria and procedures to use performance information involves reforming current practices for many areas of public sector management. Performance information should be introduced in the programming, formulation, and approval stages of the budgetary cycle. In the programming phase, political actors should have a clear set of objectives that must be accomplished with the resources that will be allocated in the budget. This clear set of objectives could be included in a national plan. In the formulation phase, the budget structure should clearly link resources to objectives. This may be achieved by working through Guyana's

¹⁷ The six ways to use information mentioned in the M&E Action Plan are

- (i) internally by program managers within the individual Ministry in helping manage their programs;
- (ii) by senior managers within the Ministry to support their management and accountability needs;
- (iii) for reporting on program and Ministry performance to serve as input to the Annual Ministry Performance Report and as input to a national performance report, both of which could be tabled in Parliament and/or with Parliamentary Committees;
- (iv) as input to discussions of Cabinet and various Sector Committees (Cabinet Sub-Committees and/or Thematic Groups) as well as year-end reporting on sectors by the Office of the President;
- (v) as input to discussions by Ministry of Finance on program budgets;
- (vi) as input to deliberations on national planning and policy issues.

¹⁸ It must be added that the M&E Action Plan mandates the Ministry of Finance to elaborate a Needs Analysis report "to identify key audiences for performance reporting and nature of their needs." The Needs Analysis could prove to be a good opportunity to start determining the criteria and procedures that must be followed to institutionalize the use of performance information.

programmatic structure. In the approval stage, legislators should have both the technical capacity to analyze information and the incentives to use performance and cost information. Legislative capacity may be increased through strong technical committees, and incentives can be created through increased transparency and accountability. In addition to linking resources to objectives, the effective execution of those resources is required in order to accomplish those objectives effectively. Therefore, public sector managers need to have the appropriate tools and incentives to promote technical efficiency and effectiveness during the execution phase of the budgeting cycle. There are plenty of tools and incentives that can be introduced to help public managers,¹⁹ and selection of the appropriate tools depends on the specific institutional characteristics and indigenous factors of each sector.

3 CONCLUSIONS AND RECOMMENDATIONS

For at least a decade, the Government of Guyana has been moving toward increasing the efficiency of public expenditures. Since 2010, because of increased needs for performance information due to previous reforms and to the requirements of international donors, the Ministry of Finance has aimed to introduce M&E. In that direction, some milestones have already been achieved, such as the technical design of the expected M&E system, the creation of a central M&E Unit in the Ministry of Finance, and the kick-off of the implementation process in the first two pilot line ministries.

The analysis done in this Technical Note has found some weaknesses that should be addressed for the country to improve its chances of successfully building its M&E system. Some of the most noteworthy weaknesses relate to a lack of linkage between the collection of performance information and its future use for policymaking, the unrealistic and ambitious nature of the current five-year implementation plan, and the lack of detail on the specific data collection tools that will be used to achieve M&E objectives.

The following recommendations, listed in order of their perceived priority, are those that the authors believe should be followed to increase the chances of successfully implementing and sustaining M&E.

¹⁹ For example, Robinson (2007) suggests techniques such as Formula Funding and Purchaser-Provider Systems.

- 1. Institutionalize internal demand for performance information to ensure its effective use.** The current design of Guyana’s M&E system is likely to increase the availability of performance information, but without necessarily encouraging its use. This may not only limit the potential for governance improvements, but also reduce the incentives for line ministries and other government institutions to further develop M&E. In order to avoid those setbacks, complementary measures should be introduced to institutionalize clear processes determining how performance information will be used, providing the legal basis needed to increase the sustainability of M&E practices. In particular, formal mechanisms or incentives should be created to facilitate and encourage the use of performance information to improve program design and implementation; improve resource-allocation efficiency; increase accountability; nurture national and sectoral strategic planning processes; and assure the sustainability of M&E over time. A good example of incentives to create demand for M&E information that has been applied successfully in developed and developing countries is the use of “carrots, sticks, and sermons” (Mackay, 2012). An example of a carrot is the delivery of greater autonomy to managers who demonstrate (through reliable M&E information) better performance of their programs, projects, or institutions. An example of a stick is to set challenging (but realistic) performance goals to be met by each ministry and program manager. An example of a sermon is a high-level declaration of support for M&E from an influential actor in government, such as the president or an important minister.

- 2. Consolidate core capacities before scaling-up to more pilot line ministries.** Section 1.3 of this Technical Note showed that building M&E is a complex task. In that sense, Guyana’s plan might have been unrealistic. The M&E Action Plan calls for the immediate introduction of the core capacities (including the central M&E Unit, all of the necessary guidelines, several complementary assessments, among others) at the first two pilot line ministries. The plan then continues by including a total of six, 11, 18, and 28 pilot line ministries in years two, three, four, and five, respectively. However, more than two years into the reforms, not even the core capacities have been totally built. This should not be considered a failure, but rather the consequence of unrealistic expectations. We recommend modifying the current Action Plan to first consolidate all of the necessary core capabilities before attempting to introduce M&E in more line ministries, as well as properly evaluating the results of these pilot experiences before introducing them to new ministries. Moreover, a detailed assessment should be undertaken for each line ministry in order to (i) identify the specific capacities that

need to be developed; (ii) assess whether such capacities can be built by training existing employees or bringing in new talent; and (iii) develop a detailed proposal for training and/or hiring new personnel to establish the desired capacities.

- 3. Prioritize and sequence the introduction of defined M&E tools according to implementation needs.** Besides setting potentially unrealistic expectations, the M&E Action Plan lacks appropriate details about the tools that will be used to reach of the system’s objectives. In particular, the M&E Action Plan includes a set of expected uses of information and a list of five tools (one for monitoring and four for evaluation, both shown in section 2.4 of this Technical Note), but then fails to establish any link between them. Our recommendation is to prioritize the M&E tools according to how each will contribute to accomplishing system objectives (or objectives from complementary reforms if our first recommendation is followed), and then sequence the introduction of each tool according to its level of priority. Following this recommendation should make it easier to accomplish objectives and would allow the government to prioritize the use of resources in the implementation process.
- 4. Assure the quality of the M&E tools.** As mentioned in section 2.3, the M&E Action Plan presents a list of five monitoring and evaluation tools: (i) performance monitoring system; (ii) rapid appraisal or special studies; (iii) rapid evaluations; (iv) impact evaluations; and (v) strategic or policy evaluations. The adequate definition of the characteristics of each instrument is crucial to assure the quality of M&E. For performance monitoring, special attention should be given to the design of guidelines and methodologies for the development of indicators. These guidelines should include concepts such as the SMART framework for the definition of good performance indicators. For evaluation tools, it is imperative to establish quality standards that set the accuracy and technical consistency of the evaluations of programs and projects. These types of standards need to include not only implementation of evaluations, but also to coordinate implementation of the programs that will be evaluated with the needs of evaluators. This type of coordination will improve the quality of evaluations by allowing the introduction of comparable treatment and control groups. Finally, it is important to guarantee that evaluations are transparent and independent by providing the entity or unit responsible for the evaluations with enough technical, administrative, and budgetary autonomy.

5. Introduce increased transparency as a key objective of the M&E reforms. Besides institutionalizing internal demand for performance information, more attention should be given to the potential benefits of providing performance information to actors outside of the public sector. Greater transparency can potentially leverage the benefits of effective M&E, since increased levels of accountability can stimulate the government to become more responsive to the needs of the country's citizens and make M&E reform more sustainable over time. A good recommendation is to make M&E datasets publicly available. This practice allows total transparency and scrutiny, and opens the door for international academics to perform analyses that create and increase country knowledge. In other words, the country could benefit from "free research services" provided by the international research community once data is made publicly available.

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