

POVERTY REDUCTION STRATEGY PAPER

SECTION 5. PRSP IMPLEMENTATION MANAGEMENT, MONITORING AND REGULATION

CHAPTER 12. PRSP IMPLEMENTATION MANAGEMENT STRUCTURE

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472. The most important prerequisite for the effective implementation of the PRSP is the establishment of an implementation, monitoring and evaluation system with the participation of all segments of society. The UNDP and the WB supported the establishment of the participatory process throughout the development phase of the PRSP. It is expected that the WB, UNDP, DFID, EU and GTZ will also support Government's efforts in setting up a PRSP implementation, monitoring and evaluation system.
473. The Government of Armenia, with the support of international organizations, organized a workshop with the participation of the PRSP Working Group members, as well as representatives from the government, civil society and donor community, in order to develop common strategic approaches on the management and monitoring of PRSP implementation. The workshop decided that the PRSP Working Group will lead the development of the management and monitoring strategy for PRSP implementation, with the following main components:
- (i) Institutional and organizational framework. As a first step in PRSP implementation, the responsibilities of each and every actor involved in the process and main directions of information flows should be clearly defined. The Government will conduct the actual management and monitoring of PRSP implementation, while other structures will be formed with the participation of all stakeholders for evaluation of PRSP implementation results and developing recommendations for its further development.
 - (ii) PRSP monitoring strategy. The monitoring strategy should define the entire set of indicators to be tracked, as well as the main functions of those conducting the monitoring. The existing capacity of those involved in monitoring activities should be studied and an action plan for strengthening their capacity should be developed. The mechanisms and standards applying to the selection of civil society organizations participating in the monitoring process should also be clearly defined.
 - (iii) PRSP implementation action plan. The action plan should be developed by working groups formed within and across agencies. Sectoral working groups formed within and across agencies will develop action plans for various sections of the PRSP and the overall coordination will be provided by the Ministry of Finance and Economy. Sectoral working groups will also include representatives from NGOs, which are socially active in the relevant sector.

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474. National, regional and local governments will actually implement activities planned in the PRSP, with the active participation and support of civil society organizations, donor community, Armenian Apostolic Church and its sister churches, and Diaspora organizations.
475. Much like the development of the PRSP, its implementation also requires coordinated efforts made by individual structures at numerous levels. The organizational structure coordinating and supervising PRSP development activities remains almost unchanged during the first phase of PRSP implementation. Thus, the mentioned working group is regarded as a transitional measure. The final structural and organizational framework will be developed by a special working sub-group.
476. The Government of Armenia is responsible for the implementation of all measures, and as represented by the Ministry of Finance and Economy manages and coordinates the process of PRSP implementation (approval of PRSP Implementation Action Plan will follow the PRSP approval by the Government being consistent with policies described in the PRSP). The Steering Committee will no longer continue in its previous form and function and will transform into the PRSP Participatory Steering Committee (PSC), with the corresponding new members and functions. Heads of ministries closely involved in the implementation of the PRSP, the president of the National Statistical Service, Chairpersons of Standing Committees of the Parliament, leaders of parties and blocks represented in the Parliament, representatives of civil society (NGOs) and donor community will make up the PSC. Members of the PSC and its statute will be approved by the Government of Armenia/ The main objective of the Participatory Steering Committee will be to ensure the participation of all stakeholders in PRSP implementation, further elaboration and revision, as well as discussion of current approaches and formulating relevant recommendations for the Government.
477. The day-to-day activities within the framework of the functions of the PRSP Participatory Steering Committee will be implemented by the PRSP Working Group (WG), the membership and statute of which will be proposed by the Participatory Steering Committee and approved by the Government of Armenia. The main objectives of the WG will be to: (i) monitor the objectives, intermediate and target indicators, and implementation of program activities; (ii) assess impacts of PRSP policies; (iii) prepare and publish an annual report; (iv) revise and finalize the PRSP; and (v) ensure international cooperation throughout the PRSP implementation. Until the end of the interim phase, i.e. in the next 6 to 12 months, the WG will maintain its current membership.
478. The PRSP Secretariat, formed by the Government of Armenia with support from the UNDP, WB, GTZ and DFID, will organize the implementation of activities, which should be conducted within the framework of the functions of the PRSP Participatory Steering Committee and the Working Group. The Secretariat will conduct PRSP monitoring and policy impact assessment, prepare and publish annual PRSP implementation reports, update and revise the PRSP in close cooperation with structures involved in PRSP implementation, including PRSP Coordination and Monitoring Unit in the Ministry of Finance and Economy, and, as necessary, will involve experts and specialized structures and commission separate studies.
479. The Ministry of Finance and Economy, in accordance with its statute, will coordinate and monitor the PRSP implementation, which on the one hand implies: (i) monitoring of the PRSP implementation action plan¹³⁶; (ii) adapting programs outlined in the PRSP to the Medium Term

Expenditure Framework (MTEF) and the annual state budget; and on the other hand (iii) coordinating PRSP implementation monitoring information flows, their analysis and evaluation. The mentioned activities will be conducted by the Unit especially established for that purpose in the Ministry of Finance and Economy.

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480. The PRSP monitoring and evaluation system to be formed should on the one hand define the roles and functions of all parties, and on the other hand the levels and responsibilities relating to collection of data on indicators. The system of PRSP monitoring indicators to be formed should be comparable, to the extent possible, to Millennium Development Goals declared by the UN.
481. Building and strengthening relevant capacity both inside and outside the government is of great significance for the formation of the PRSP monitoring and evaluation system. Various donor organizations have already shown interest in supporting the necessary training activities.
482. Various agencies at different levels of PRSP management system will ensure the bottom-up functioning (information collection, preliminary analysis and information flow) of the PRSP monitoring system.
- (i) The National Statistical Service conducts regular monitoring of poverty at national and regional levels, revealing the level of poverty in the country, its depth and severity, poverty risk groups and their characteristics, specific manifestations of poverty at national and regional levels. The National Statistical Service needs support for improving the methodology of household surveys and conducting such surveys on an annual basis. The World Bank has already provided some support in that direction.
 - (ii) The Ministry of Social Security conducts regular monitoring of the poor at national and regional levels, focusing on identifying poor people and including them in the family benefit and other assistance systems, thus improving the living standard of the poor. The Ministry has a large and regularly updated data bank on the mentioned beneficiaries, as well as governmental and non-governmental programs for improving their conditions.
 - (iii) Ministries involved in PRSP implementation provide the monitoring and evaluation of indicators relevant to their spheres. A number of ministries already have some experience in this regard, the others, however, need the necessary technical and expert assistance.
 - (iv) Governor Offices will conduct the monitoring and evaluation of PRSP program activities, target and intermediate indicators at marz level, and the UNDP is currently supporting them through capacity building and technical assistance activities.
483. The Government of Armenia should pay special attention to the monitoring and evaluation of programs implemented by development partners, as well as those stemming from the PRSP. Participation of civil society in monitoring and evaluation processes, which will be ensured through the establishment of a comprehensive participatory body at PSC level, should also be a matter of concern. The civil society evaluation of PRSP implementation process should be examined annually and the results should be included in the annual report of PRSP implementation.
484. The Government, with the support of the donor community and in order to organize and regulate the monitoring and impact assessment of PRSP implementation, will develop and approve a PRSP management and monitoring strategy, which will define:

- (i) the set of PRSP monitoring indicators;
- (ii) the methodology for monitoring indicators;
- (iii) methods and periodicity of collecting data on indicators and methodologies for their summarization, processing and analysis;
- (iv) training and capacity building measures for PRSP monitoring and evaluation staff; and mechanisms for the participation of civil society in PRSP implementation and monitoring processes and informing the public on the results.

485. Target and intermediate indicators, policies and priorities are not meant to be unalterable, they are, however, the basis for implementing long-term objectives and provide the means for the necessary assessment of the process of PRSP implementation and consequently the necessary adjustments and changes to PRSP target indicators and priority policies. The PRSP will be reviewed once every two years, taking into account recommendations presented by all stakeholders and results of the monitoring. Summary reports on the progress will be prepared annually.

136 The PRSP Plan of Actions will be approved by the Government of Armenia within two months after the approval of the PRSP.