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DeMISTifying MIS
Guidelines for Management Information
Systems in Social Funds

WORLD BANK TECHNICAL PAPER NO. 443

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Foreword

The idea for this document developed from experiences in many social funds (SFs). SF management information systems (MIS) were proving to be time-consuming to develop, required repeated improvements and adaptations, did not easily capture essential information in report outputs, and were difficult to integrate in the SF project teams as essential management tools. In addition, SF Task Managers, most of whom had little familiarity with the technical aspects of MIS, were unable to adequately guide MIS preparation. MIS for SFs are often difficult to conceptualize during preparation because of the specific characteristics of SFs, in particular design flexibility and demand-driven processes. Although several MIS provide good monitoring outputs for SFs, and some are used as basic management tools, they are often not designed for maximum efficiency and frequently require more or less constant up-dating, which is costly both in terms of financial and human resources.

This document does not provide a standardized MIS for all SFs, nor does it suggest a magic formula that will make it possible to prepare an MIS in a couple of weeks. It does identify critical aspects of MIS, suggests ways of organizing preparation of an MIS and provides practical advice for those involved in the design and management of MIS for SFs and others working on similar types of demand-driven projects.



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Abstract

Management information systems, which include both systems with information for management and systems that manage information, have four elements: the actors who take decisions on the project; the data and information that is useful for decision-making; the procedures that determine how the actors relate to the data; and the tools that facilitate the collection, analysis, storage and dissemination of the data.

Social funds have a number of characteristics that make their information needs different from those of other projects or organizations. These characteristics include:

- a demand-driven approach that makes precise planning impossible and flexibility a must;

- a large number of contractors, often with limited management capacity;

- a very large number of small contracts and disbursements, with disbursements frequently taking place in tranches;

- a variety of procurement methods, with a preponderance of community-based procurement;

- operations in different sectors requiring a wide range of skills, monitoring approaches, service providers and contacts;

- frequent decentralization of management activities;

- frequent sub-contracting of important activities, such as outreach, monitoring and evaluation;

- an anti-poverty agenda requiring the selection and monitoring of specific indicators for evaluating impact;

- multiple stakeholders (government, donors, communities, contractors, NGOs, etc.), each with distinct information needs;

- political visibility, making transparency and efficiency all the more important.

The guidelines identify the basics of MIS design --why is an MIS needed, what an MIS will do and will not do, what one must know before starting, and

what are the main components of an MIS. The primary recommendations for preparing MIS for social funds are:

take time for needs assessment, find out about local information technology capacities, and what information is needed and by whom;

don't reinvent the wheel, examine what has been done in other social funds and in other similar projects;

make it modular, integrate all information needs, including accounting, into a single flexible system with a common central database;

be (almost) ready when the project starts, otherwise information will be lost and heavy workloads will be required to catch-up.

be careful in the transition from design to implementation, lack of continuity can lead to delays;

be flexible, evolve with the project, modularity allows this;

evaluate once a year, pick-up problems early.

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We would like to thank the staff of the social funds that were visited in the course of preparing this document (Argentina, Armenia, Benin, Bolivia, Egypt, Ethiopia, Haiti, Honduras, Malawi, Peru, Yemen, Zambia). They very kindly gave us a great deal of their time and our conclusions are based largely on their experiences. We would also like to thank World Bank staff working on social funds who responded promptly to our many

Chapter 1 The Basics

QUESTIONS THAT THE CHAPTER WILL ANSWER:

Why is information management so important? What is an MIS (and what is not)? What is special about the MIS of a social fund? What will I find in these guidelines?

Why Is Information Management So Important?

Managers are often far from the real action, so they need something that will tell them what is going on (in both quantitative and qualitative terms). Luckily, the rapid evolution of tools for collecting, analyzing and diffusing information has greatly improved our ability to manage from a distance. However, the speed of technological change means that changes in management practices and tools are inescapable. It is better to think ahead than racing to catch up or go out of business.

Good knowledge management systems build on the strengths and successes of the organization while drawing lessons from earlier failures. These systems do much more than simply facilitate daily tasks. They influence the organization of work, and therefore the professional relations inside and outside the organization. In fact, an effective knowledge management system links intimately to the decision-making process by regulating and organizing the flow of information accessible to decision-makers. Its evolution, therefore, has a direct impact on the decision-making system and consequently on the structure of the organization. For example, modern information systems often allow more direct contact between managers and front-line staff, changing the role of the intermediate organizational levels or eliminating them entirely.

It is difficult to define precisely the limits of a management information system (MIS) and different managers will have more or less expansive definitions. However, accounting information is not enough to manage an organization or a project, regardless of its richness and central role for management --and on top of it, in most cases it is under-exploited and not well organized for management purposes. Effective management requires the

use of non-accounting information as well, including information on planning, quality of outputs, performance of staff and service providers, etc.

Because accounting information has long been considered the hard core of management information, there has been considerable effort to standardize accounting systems and to make them as useful as possible for running an enterprise. Several accounting software programs based on widely recognized accounting standards are easily available. In contrast, the debate continues as to the non-accounting information needed, or at least useful, for management. Because managers tend to think that their problems are unique, non-accounting information systems tend to be designed and produced on a case by case basis. So the wheel keeps being reinvented, wasting money and time for results that are often far from ideal.