

## NPRS-PRF Poverty Funds<sup>1</sup>

### Thematic Study – Inclusion, Equity and Targeting

#### [Draft Summary]

#### 1. Key Outcomes and Lessons

All poverty reduction efforts must bear in mind that inequalities, exclusion and the relationships that maintain them need to be tackled if poverty reduction is to be achieved and economic growth is to contribute to poverty reduction. These case studies demonstrate practical steps towards improving outcomes for poor people. They show that by focused attention to understanding the constraints facing poor people; and through initiatives to actively engage the poor in decision-making processes, equity and inclusion concerns can be successfully integrated through ADB's work.

A number of important lessons have emerged including:

- **The need to work with governments that are committed to reducing inequalities.** ADB can influence processes but can only support internally driven processes that governments give backing to. This can be seen most clearly through progress made in the technical assistance project (TA) 4453 in Vietnam<sup>2</sup> where the government actively sought legislative change for gender equity and approached the ADB for support. Similarly in the People's Republic of China, the government's poverty reduction agenda has resulted in a positive policy environment for reform of rural credit co-operatives to ensure they are appropriate to the needs of the rural poor (TA 4430); and for engagement of NGOs in targeting and involving poor people
- **Tackling inequality and exclusion requires both targeted interventions,** as in the case of the urban waste program in the Marshall Islands (TA 4653) and interventions that mainstream attention to marginalised people within their core frameworks as in the case of inter-regional RETA 6109.
- **Addressing legal constraints,** such as issues of citizenship or legislation that actively protects people's rights, is vital in reducing inequality and exclusion. This may be laws that protect the livelihood rights of forest dwellers, legislation to ensure women's equal rights (TA4453 Vietnam), or initiatives that provide both registration and citizenship to the excluded groups (RETA6188).
- **Direct engagement of the poor** in decision-making and program implementation process is vital if their needs are to be understood and the particular constraints facing them are to be overcome. Government institutions tend to operate systems that do not allow the active engagement of citizens. TA 4580-China demonstrated the important role that NGOs can play in bridging the

gap between the end user and the service provider. TA 4653-Marshall Islands and TA 4707-Bangladesh both demonstrate that practical ways of engaging the urban poor in governance and in local administrative systems.

- **Research needs to be clearly linked to practical initiatives** that will enable change to happen and outcomes to be achieved. TA 4131 and TA 4320 included initiatives to pilot work in mitigation and social protection, and both have led to involvement of different stakeholders in protecting the rights of female garment workers in Cambodia and Bangladesh. Engaging different stakeholders in the early stages of research is an important step in ensuring ownership of the end results. It is only in this way that tangible outcomes that go beyond awareness raising, will be achieved. This was clearly demonstrated in TA4430, where quantitative research undertaken through TA 4430 has had considerable influence and has helped the Government of China to progress its poverty reduction aims.

## 2. Summary Case Studies

### Inequality and social exclusion

ADB carried out research to examine the link between poverty and legal identity, through RETA 6188: *Establishing Legal Identity for Social Inclusion*. The research sought to determine whether or not providing vulnerable groups with legal identity or a birth record would actually help them to access socio-economic benefits, goods, and opportunities. The direct relevance to ADB's own work was to examine whether target groups in interventions such as health or education were being excluded on the basis of not having a birth registration record, and hence no legal identity. The research covered Bangladesh, Cambodia and Nepal, all of which have had very limited levels of birth registration, as well as having a spectrum of identity issues which can lead to exclusion with regard to gender, religious, ethnic and caste identity.

With the focus on the rural poor in upland communities in the Greater Mekong Subregion, RETA 6115: *Poverty reduction in upland communities through improved community and industrial forestry* undertook a participatory assessment of poverty impacts of community and industrial forestry policies and practices in Cambodia, Lao research included an examination of community and industrial forestry; trade of forest products; and gender and ethnicity issues. The RETA sought to influence the GMS's community and industrial forestry policy framework and reform action plan with the ultimate goal of promoting sustainable forest resource management to enhance its poverty reduction impact on upland communities.

### Gender

ADB supported the preparation of the law on gender equality in Vietnam through the PRF-NRPS, TA 4453-VIE: *Supporting the Preparation of the Law on Gender Equality*. This TA had three major components:

- i) A diagnostic analysis of the current status quo of gender inequality within Viet Nam's legislation;
- ii) Drafting of new legislation on gender equality and recommendations on integrating gender equity into existing legislation<sup>3</sup>;

- iii) Awareness raising both before and after the new gender legislation was adopted.

TA 3947 *Sustainable Employment Promotion for Poor Women in Cambodia*, focused on three core areas:

- i) Advocacy within government to ensure that gender is covered in planning and monitoring processes;
- ii) The development of an alternative approach to gender focal points within line ministries;
- iii) The development and implementation of an approach and materials to encourage and enable entrepreneurship among women at local levels.

TA 4131 and TA 4320 – *Preventing Poverty and Empowering Female Garment Workers Affected by the Changing International Trade Environment*, Cambodia and Bangladesh.

In Cambodia, the project started with a comprehensive assessment of the current situation in order to better understand the sector and to help create a social consensus on the importance of the private sector and free trade for future economic development.

In Bangladesh, given the high level of interest that already existed in the sector, the project focused specifically on developing a Social Protection Strategy for female garment workers and on implementing pilot projects that would contribute to learning for the development of long-term coping strategies for female garment workers.

### **Removing Obstacles to Inclusion and Participation**

ADB undertook two TAs to involve NGOs in poverty reduction. RETA 6109 was designed specifically to provide funding to a limited number of NGOs to undertake innovative poverty reduction or other activities in key ADB sectors throughout the region. The RETA served as a pilot for the possible establishment of a separate ADB grant funding mechanism for NGO activity. TA 4580 focused upon improving government accountability to the poor at the local level in People's Republic of China (PRC), particularly through the facilitation of local NGOs. The project has the objective of formulating and demonstrating replicable models and mechanisms for NGO participation in government-funded village-level poverty alleviation efforts. More broadly, it is hoped that the TA will formulate, and build consensus behind, a comprehensive framework for mainstreaming NGOs into national poverty alleviation efforts.

TA 4430: *Rural Finance Reforms and Development of Micro-finance Institutions* in the PRC aimed to address issues of financial access for the rural poor through reform of the rural credit cooperatives and therefore the expansion of sustainable financial services that are able to cater for the specific needs and constraints faced by the rural poor in Guizhou and Inner Mongolia Autonomous Region. The TA adopted a targeted approach to poverty reduction, through a recognition that poor people living in rural areas require specifically designed financial services to ensure their inclusion. The two core outputs were:

- i) The adoption of suitable rural credit cooperative (RCC) institutional and supervisory frameworks, resulting in institutional restructuring strategies for various types of RCCs as well as appropriate regulatory and supervisory systems for the restructured RCCs, and

- ii) The development of a sound policy and institutional framework for microfinance and MFIs, resulting in enhanced awareness of policymakers and the public about the importance and feasibility of microfinance mechanisms.

RETA 6224 introduced the Enhanced Methodology for Participatory Assessment (EMPA) for planning, monitoring and evaluation WSS projects, building on the national rural water supply and sanitation (WSS) strategies in Sri Lanka and Vietnam. The projects emphasize participatory management and handing over responsibilities to the users. The two projects have aimed to demonstrate effective community participation schemes. The methodology places a focus on participation, demand, gender, and the poverty dimensions of water and sanitation.

TA 4653: *Promoting Ownership of and Demand for Effective Waste Management* in the Marshall Islands, was developed to support government initiatives in designing a sustained solution to urban waste management and disposal. The project was based on conducting an extensive informed participatory planning process, leading to a community designed and community owned waste management system. As part of the project, the urban poor, women and youth were given a voice to present their concerns and to design solutions to waste management. The final waste management service will be established by the RMI government assisted by the ADB, potentially with the support of other donors.

Popular participation in good governance is the guiding principle of the TA 4707 *Participation of the Urban Poor in Municipal Governance*. The project, which started in 2005, seeks to support Bangladesh's Urban Governance and Infrastructure Improvement Project (UGIIP) implementation to establish the mechanisms and processes for participation of the urban poor in municipal governance structures in selected municipalities covered by the UGIIP.

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<sup>1</sup> NPRS stands for the Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies contributed by the Government of the Netherlands, while the PRF stands for the Poverty Reduction Cooperation Fund contributed by the Government of the United Kingdom, Department for International Development

<sup>2</sup> TA 4453-VIE: Supporting the Preparation of the Law on Gender Equality (PRF, \$370,000)

TA 4430-PRC: Rural Finance Reforms and Development of Microfinance Institutions (Rural Credit Co-operatives Development) (PRF \$350,000)

TA 4653-Marshall Islands: Increasing Ownership and Effective Demand for Improved Urban Waste Management and Disposal (PRF \$300,000)

RETA 6109: NGO Partnerships for Poverty (PRF \$1,000,000)

RETA 6188: Establishing legal identity for social inclusion (Cambodia, Bangladesh, Nepal) (PRF \$575,000)

TA 4580-Peoples Republic of China: NGO Government partnerships in village level poverty alleviation (PRF \$1,000,000)

TA 4707-Bangladesh: Participation of the urban poor in municipal governance (PRF \$480,000)

TA 4131&4320-Cambodia&Bangladesh: Preventing poverty and empowering female garment workers affected by the changing international trade environment (TA 4131: PRF \$600,000 and TA 4320: PRF \$420,000)

TA 4430-Peoples Republic of China: Rural finance reforms and development of micro-finance institutions (PRF \$1,440,000)

<sup>3</sup> The Law on Gender Equality was approved by the National Assembly on 21 November 2006 and it took effect on 1 July 2007.