

NPRS-PRF

Helping Accelerate Poverty Reduction in Asia and the Pacific

STRENGTHENING LOCAL CAPACITY FOR POVERTY REDUCTION IN ADB

Three innovative technical assistance projects, developed in 2003, supported the processes of poverty reduction capacity building at the national level through poverty specialists based in ADB resident missions.

Poverty levels in Asia have declined rapidly in the last 3 decades, from more than half of the population in the 1970s to just over one fifth in 2000. Despite this, poverty remains at an unacceptable level, with 720 million people living on less than a dollar a day in 2000. Progress in reducing poverty has been uneven across the region and less progress has been made in reducing the non-income dimensions of poverty. For example, child and infant mortality rates, indicators that are closely linked to the poor status of women, remain exceptionally high.

In 1999 the Asian Development Bank (ADB) adopted poverty reduction as its overarching goal and set out objectives in the poverty reduction strategy. A review of the strategy in 2004 identified the need for work at the country level to be based on high quality analytical work. It noted particular problems in developing lending programs in the social development sector. The enhanced poverty reduction strategy that followed the review reemphasized ADB's commitment to reduce poverty, with a strengthened focus on country-specific approach.

As part of this process, the Government of the Netherlands provided funds for the National Poverty Reduction Strategies (NPRS) Fund¹ while the Government of the United Kingdom (UK) supported the Poverty Reduction Cooperation Fund² (PRF), both with overlapping aims. NPRS objectives include supporting the formulation of national poverty reduction strategies through capacity building, while those of the PRF include refocusing ADB operations more on poverty reduction.

Funded by the NPRS and the PRF, three innovative technical assistance projects were developed in 2003 to support these processes of poverty reduction capacity building at the national level. The technical assistance (TA) provided support through poverty specialists based in ADB resident missions. The three countries chosen were Cambodia³ and Viet Nam,⁴ two of the poorest countries in the region, and Pakistan,⁵ where declining poverty rates of the 1970s and 1980s spiraled in the 1990s.

Poverty Specialists in ADB's Resident Missions: Cambodia, Pakistan, and Viet Nam

While the overall objective of appointing poverty specialists was similar in the three countries, the three individuals played very different roles and focused on very different approaches. In each case, the approach taken and the work carried out depended on the specific circumstances of the country:

- In Cambodia the work concentrated on contributing to policy dialogue around the development of the monitoring and evaluation framework of the national development plan;
- In Pakistan the poverty specialist carried out research on the impact of the government's pro-poor programs;
- In Viet Nam the work involved developing and introducing participatory assessment and planning processes for use at the provincial level.

Cambodia

The appointment of the poverty specialist to support the resident mission in 2004 came at a key moment in the development of the Government of Cambodia's national planning processes.

The Government's overall development strategy was set out in the broad framework of the rectangular strategy. The second Socio-Economic Development Plan (SEDP II), covering the period 2001–2005, was a comprehensive development program focusing on growth promotion, regional integration, and poverty reduction and served as the Government's principal planning document. The NPRS was closely based on SEDP II and elaborated the poverty reduction agenda, providing a framework for support by international development partners. An important element of the NPRS was a comprehensive set of indicators to monitor progress toward achieving Cambodia's Millennium

Development Goals (MDGs). In 2004–2005 work was begun to bring these planning processes together in a National Strategic Development Plan (NSDP) for 2006–2010. A key element of the NSDP was to integrate monitoring progress against the Cambodia MDGs.

A technical working group on planning and poverty reduction was established with the Ministry of Planning taking the lead role. This group provided the main forum for government and donors to work together in formulating the detailed sectoral strategies and acted as a mechanism to mobilize resources. The poverty specialist played a role in the group as ADB's representative. This provided the opportunity to work with other donors in developing the idea of a results matrix.

The results matrix was introduced as a means to collect information from line ministries and other government institutions on sectoral targets, and to help define the constraints faced by these institutions and the actions proposed to overcome these constraints. Perhaps the most important elements of the matrix were the linkages between the sectoral targets and output indicators and, more specifically, to outcome indicators, Cambodia's MDGs. This has provided the basis for public reporting on progress made by the government against these high-level goals, a means by which both successes and continuing challenges can be assessed.⁶

Pakistan

The poverty specialist for the Pakistan Resident Mission was appointed primarily to assist in monitoring the implementation of the national and provincial level poverty reduction plans. The specialist worked closely with the Government Poverty Commission, the part of government in Pakistan responsible for the NPRS. In addition, he was involved in research on the impact of the government's pro-poor programs.

NPRS gaps at the district level, where no monitoring and evaluation mechanisms are present, are specially important in ongoing devolution processes.

A research on targeted programs of the Government, looking at *zakat* and microcredit, revealed the following:

- The Zakat targeting is better in rural areas than in urban areas.
- Coverage is low, with many deserving households not being included in the zakat network, and with significant leakages of zakat to the nonpoor.
- Microcredit targeting is not impressive.
- There is a need to develop a transparent system to identify the poor who are eligible for targeted programs.

Viet Nam

One of the key aims in appointing a poverty specialist to the Viet Nam Resident Mission is to strengthen local capacity to contribute to Viet Nam's poverty reduction goal. The specialist appointed had a background in ActionAid and had experience in working on Voices of the Poor, on which the World Bank's *World Development Report* for the new millennium was based.⁷

The experience of integrating the comprehensive poverty reduction and growth strategy (CPGRS) into the provincial socioeconomic development plans (SEDP) was that this was primarily a top-down process with little or no influence by the lower government level and limited participation by civil society. The poverty specialist's work is to help shift to a process where top-down guidance is combined with bottom-up planning based on participatory processes.

The poverty specialist introduced participatory assessment and planning methodologies to the Government. The specialist worked with the Ministry of Planning and Investment to develop a training kit and helped build capacity, through demonstrating participatory and strategic planning processes at the commune, provincial, and district levels.

Building and Strengthening Local Capacity

While all three poverty specialists have now left ADB, they have all gone on to work for other development organizations at the national level. The work that they were involved in with ADB provided new and different opportunities to work at a national, strategic level.

For ADB the experience of working with poverty specialists has helped strengthen the poverty focus of the national programs of Cambodia, Pakistan, and Viet Nam

Endnotes

- ¹ Established in November 2001 with an initial contribution of \$8 million.
- ² Established in July 2002 with a grant facility of \$75 million.
- ³ TA 3955: Engagement of a Poverty Consultant at the Cambodia Resident Mission. TA Approval Date: December 2003. TA Completion Date: October 2006.
- ⁴ TA 4252: Support to Poverty Reduction Activities in Viet Nam. TA Approval Date: December 2003. TA Completion Date: December 2006.
- ⁵ TA 4277: Support to Poverty Reduction Initiatives in Pakistan. Approval Date: December 2003. TA Completion Date: January 2007.
- ⁶ See Achieving the Cambodia Millennium Development Goals 2005 Update. Available: www.un.org.kh/undp/resources/publications/cmdgs/cmdg_2005_en.pdf
- ⁷ www1.worldbank.org/prem/poverty/voices/

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