

NPRS-PRF

Helping Accelerate Poverty Reduction in Asia and the Pacific

NGO-GOVERNMENT PARTNERSHIPS IN VILLAGE-LEVEL POVERTY ALLEVIATION

In the last 30 years, the People's Republic of China (PRC) has remarkably reduced poverty levels in the country. Since the start of PRC's reform process in 1979, the number of people living below the \$1-per-day poverty line had fallen from 650 million to just above 200 million in the mid-1990s.

It is generally agreed that these reductions were achieved because of high and sustained economic growth driven by broad-based reforms, while education policies and anti-poverty programs also played an important role. Recent data from the World Bank suggest that the number of those living on \$1 a day had fallen to 105 million by the end of 2004.

However, since 1999, the rate of poverty reduction has slowed, while levels of inequality have risen, particularly between the urban and rural areas, and between the east and west of the country.

The Government of the PRC has responded to the associated challenges in the 11th Five-Year Plan with an overall aim of constructing a harmonious socialist society, with a greater focus on social development, whose primary goal is building a "new socialist countryside." The four key elements of the latter goal are rural reforms, poverty reduction, education and medical care, and migrant workers. In 2006, central government budget expenditure for rural areas totaled 339.7 billion yuan (CNY) (about \$44 billion)—a 14% increase from 2005. Under the PRC's comprehensive village promotion program, one of several major poverty reduction interventions administered by the State Council Leading Group Office of Poverty Alleviation and Development (LGOP), the PRC has identified roughly 148,000 villages nationwide for village poverty alleviation and development planning, with budget typically in the order of CNY500,000 (about \$64,500) per administrative village.

NGOs and Poverty Reduction

Although it has traditionally been the principal agent in national poverty relief initiatives, the PRC government itself recognizes that poverty alleviation efforts are being undermined by gaps in implementation and institutional issues, including poor targeting and delayed delivery of funds, lack of transparency, and weak incentives and limited ability to adopt new approaches.

In the early 1980's, nongovernment organizations (NGOs) began to have limited participation in PRC's poverty alleviation projects. In the late 1980s and 1990s, the success of certain NGOs in undertaking poverty alleviation projects made officials reassess their role in solving some of the country's most complicated problems during its system transition period. Project Hope and the Spring Bud Project, for instance, are run by NGOs and have made great progress assisting in the education of children from poor families.

Although NGOs work closely with poor people and arguably know them better than the government, there are a number of limitations. The policy environment for civil society and NGOs is still inadequate, with Chinese NGOs having limited access to government programs, such as poverty relief projects.

Despite these limitations, NGOs bring specialized knowledge, technical expertise, research capacities, greater accountability, and the ability to voice the concerns and needs of the poorest and most excluded groups. At the request of the PRC government, ADB has provided support to LGOP in exploring new ways to draw on the strengths of NGOs and address some of its weaknesses, to develop models that will complement the increased focus on poverty reduction in government at both the national and local levels.

LGOP and ADB, Previous Collaboration

LGOP was formed in 1986 to organize research, draft policies and programs, and coordinate efforts to solve major issues in development and construction. LGOP is also responsible for inspecting and summarizing the work of other departments in poverty reduction, as well as helping share experience.

The ADB's country office in the PRC has a well-established relationship with LGOP, supporting work on issues relating to poverty and developing approaches toward poverty reduction.

Technical assistance (TA) 4580: NGO–Government Partnerships in Village-Level Poverty Alleviation contributed to this. TA 4580 was made possible with financing from the Poverty Reduction Cooperation Fund, a trust fund availed for ADB by the United Kingdom’s Department for International Development. Other TA projects helped influence the development of TA 4580, such as

- TA 4200: Fund for Strategic Policy Conferences and Studies for Poverty Reduction provided flexible funding for government-led research on key facets of poverty reduction policy, including research on the effectiveness of NGO-led projects and on local enterprises in rural areas as catalysts for local poverty reduction and development; and
- TA 4222: Policy on the Poverty Reduction Program – Trends, Challenges, and Future Directions produced six thematic papers looking at areas, such as widening income gaps and the changing characteristics of poverty in the PRC.

This history of previous collaboration helped both in developing ideas and approaches that were taken up in TA 4580 and facilitated a working relationship between ADB and LGOP.

Development of the Project

The Chinese Rural Poverty Alleviation and Development Outline for 2001–2010, drafted by LGOP and other related agencies, introduced key innovations, including the institution of multidimensional poverty assessment and adoption of participatory village poverty alleviation and development planning. The outline explicitly called for efforts to mobilize NGOs to “participate in and implement” government poverty projects,¹ although there had been little progress in operationalizing this new direction. To take forward these broad policy statements, LGOP began discussions with ADB, which resulted in TA 4580.

TA 4580 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 was hoped that the TA would formulate and build consensus behind a comprehensive framework for mainstreaming NGOs into national poverty alleviation efforts. The expected outputs are:

- Context analysis, mechanism design, and framework development;
- Capacity building for local officials and NGOs;
- Pilot testing and implementation of models and mechanisms for NGO participation; and
- Monitoring and evaluating the effectiveness and impact of the projects.

TA 4580 has four key partners:

- LGOP: It is the main national government representative. It has been keen to explore new ways in which poverty reduction funds can be administered more effectively to have a greater impact on poverty. It will be influential in scaling up the models and mechanisms in other provinces and in influencing the development of national policy.
- Jiangxi Province (particularly Jiangxi Poverty Alleviation and Development Office [PADO]): It provides the village-level funds and has interests in exploring approaches toward reforming government functions to promote transparency and accountability, as well as seeing the project as an opportunity to develop the NGO sector in Jiangxi.

- China Foundation for Poverty Alleviation (CFPA): It is the implementing agency for the pilot-test component. The role includes coordinating the competitive selection of NGOs (with rankings from a rigorous panel review endorsed by Jiangxi PADO), acting as the channel for government and ADB funds, and providing capacity-building support to the local NGOs and sharing experience across the project.
- ADB’s PRC country office: It provides the overhead funds for NGOs and, perhaps more importantly, provides a channel for international and regional experience of work between NGOs and the government, which can inform the development of the project.

Project Implementation

The initial major challenge was how to conduct the competitive selection of NGOs that would undertake the work at the village level. The bidding documentation and selection criteria were developed early in the project by consultants and by CFPA, a national NGO with considerable experience of working with government. A selection panel of 17 members, including representatives of national and local government, funding agencies, and domestic experts and practitioners reviewed and scored the proposals before meeting to make the final selection of six initial NGOs.² The performance of NGOs involved in the first phase of implementation influenced the second phase of selection, with a greater emphasis on locally based NGOs and on ensuring a focus on putting high-quality staff to conduct fieldwork.

TA 4580 is being implemented in the three counties of Jiangxi Province—Le’an, Ningdu, and Xingguo, all of which are key working counties for the current round of national poverty alleviation programs.

To monitor and evaluate the impacts of NGO–Government partnerships properly, three types of villages have been selected for comparison: (i) control villages, where both planning and implementation are carried out by the local government; (ii) pilot villages, where NGOs (in close partnership with local governments) coordinate/facilitate both participatory planning and implementation; and (iii) hybrid model villages, where an NGO is contracted to facilitate the participatory planning process, while implementation is carried out by the local government. A consulting firm, International Development Support Services, in association with the Chinese Agricultural University, is carrying out parallel capacity-building programs for selected NGOs and local governments,³ while an independent subteam monitors and evaluates the project based on a comprehensive baseline study.

Implementation of the first phase of the project has now been under way for a year, with already significant achievements. Two rounds of training for NGOs and government officials have been carried out by CFPA. The second round of capacity building drew on the experience of the first phase of implementation, with much greater emphasis on participatory planning and the role of NGOs in developing the capacity of people at the village level to manage projects for themselves.

An experience-sharing workshop for those involved in the first phase of implementation helped in defining more clearly the role that NGOs can play in poverty alleviation programs. The

emphasis since has been on NGOs as facilitators in the process, helping in taking forward village-level planning to ensure widespread participation and in focusing on building the capacity of people at the village level to manage and maintain their own development efforts.

Project Impacts

While the TA is still in the middle of implementation, there have been already a number of positive impacts at the village level, including

- NGOs have made great efforts to ensure that the people at the village level are involved in local planning processes. Surveys carried out as part of the monitoring of the project already show a much higher level of awareness of the projects undertaken in pilot villages.
- Changes have been observed in the way local projects are implemented, particularly on increasing awareness of the need to fully take into account local views, particularly among the poor, women, and others. This has helped avoid inappropriate project designs or local exclusion.
- NGOs and the local government have learned a great deal about their respective roles and capacity in poverty alleviation at the village level. NGOs work best as facilitators in the process, ensuring that a wide range of voices are heard in planning and helping build the capacity of villagers themselves. The local government plays an important role in mobilizing resources and coordinating the efforts of different government departments.

The results of TA 4580 are also being keenly watched at the national level. The project is already developing useful models for the complementary roles that NGOs and local government can play in reducing poverty. As a follow-up to the experiences of TA 4580, ADB is responding to a request from the Ministry of Civil Affairs for research on international experience of government outsourcing of a range of public services to the NGO sector. Overall, positive signs point to the potential that the project is likely to influence the national policy.

Lessons Learned

A number of lessons can be drawn from the experience in TA 4580 so far:

- That government and NGOs can work together, combining their respective capacities;
- That the project has, at least, begun to develop models and mechanisms that better actualize national policies for participatory grassroots poverty reduction while enhancing transparency and accountability in the use of poverty reduction funds;
- That local people's empowerment is still at a very preliminary stage, but there are opportunities to further develop these goals.

TA 4580 demonstrates quite clearly that government and NGOs can work together and that relationships of trust can be developed. While some government officials are still sceptic about what NGOs bring to the process of poverty reduction, there is a growing recognition of their capacity and commitment to engage directly with people at the local level and to lead processes that give a voice to the poorest and most vulnerable in the rural areas.

On the NGO side, while many of the immediate interests are about being able to continue and expand their own programs, there is a growing confidence and understanding about the roles that they can play in helping to develop the capacity for self-development at the village level and supporting the growth of more grassroots NGOs.

The selection process for NGOs at the national level helps in setting out clearly what roles NGOs are expected to perform in their involvement with government and makes those selected accountable for their performance. At the provincial level, the local government already places value on the contract with individual NGOs, which opens up processes of project implementation to more open scrutiny, thus increasing accountability. At the village level, people's increased knowledge of and involvement in planning and implementation processes make both NGOs and local government more directly accountable for how projects are carried out and their impacts. Overall, semi-independent and technically rigorous monitoring and evaluation of the whole process should provide useful and externally credible recommendations about what works and what does not, which will be of great value in formulating future policy.

As experience in the project has developed, a gradual shift has begun from an initial emphasis on the relationship between NGOs and government and the ability to implement poverty reduction programs, to the relationship between government and local people, with NGOs playing the part of facilitator, and a greater emphasis on self-development. This shift will take time, but it is important as it has greater long-term implications. The shift is from seeing local people merely as beneficiaries of either government or NGO projects to seeing local people as active participants—voicing their concerns and needs; developing their own capacity to plan, implement, and maintain their own development; and ensuring that the poorest and most vulnerable are represented and involved.

Endnotes

- ¹ LGOP China Rural Poverty Reduction and Development Outline (2004), para. 27.
- ² The six NGO consortia selected were China Association for NGO Cooperation; China Office of Heifer Project International, in association with Sichuan Yilong County Town and Village Development Association, Dabashan Mountain Society on Ecology and Poverty, and Shou Country Poverty Alleviation Association; Jiangxi Youth Development Foundation; Ningxia Center for Environment and Poverty Alleviation; Promotion Association for MRL Regional Sustainable Development; and Shaanxi Research Association for Women and Family.
- ³ As noted below, the consultants and CFPA jointly designed and launched capacity building for NGOs, with CFPA subsequently taking the lead on subsequent support activities.

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