

**LEARNING TO WALK THE TALK:
AN INTERNATIONAL PERSPECTIVE ON
DECENTRALIZED POVERTY MONITORING**

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Introduction

The purpose of this paper is to review the experience with decentralized poverty monitoring internationally over the past five years. In general, the review finds that while important gains were made in the period, in both policy and methodological terms, donor agencies and developing-country governments did much more talking about DPM than actually *doing* it. Moreover, there are several outstanding issues in DPM implementation that development actors seeking to implement DPM must address in forthright fashion. The paper suggests that Ghana is a promising site for learning how to “walk the talk” of decentralized poverty monitoring.

Decentralized Poverty Monitoring: What Is it?

For the purposes of this paper, decentralized poverty monitoring is defined as *a system of activities in which local government agencies and civil society organizations assess progress on a nationally established set of indicators of deprivation and assets, and on the effectiveness of public expenditure on poverty-reduction programs*. These organizations report on their findings vertically through regional/provincial government structures to central agencies in the national government. Some of these indicators are quantitative, and others qualitative, in nature. Accordingly, DPM employs both statistical and stakeholder-engagement tools for data collection, analysis and dissemination. The overall goal of DPM is to enable government and other development actors to improve the formulation and implementation of poverty-reduction policy.

Note also that DPM is used here as short-hand for a decentralized monitoring *and evaluation* system. That is, DPM encompasses both the concepts of monitoring—a continuous internal feedback loop focusing on inputs and outputs for policy managers seeking to adjust their efforts—and evaluation—a periodic review of the effectiveness of interventions in achieving their expected medium-term outcomes and long-term impacts.

Five Years of Achievement

The past five years have seen impressive achievements around the world in moving decentralized poverty monitoring forward:

- 1) *International support for the Millennium Development Goals (MDGs) broadened and consolidated, with many developing-country governments adopting the MDGs as core poverty indicators*. While the international community will be challenged to meet the MDG targets for 2015, these goals are nonetheless, undeniably, serving a strategic function in aligning donor, government and civil society efforts toward common goals. This helps countries decide *what* poverty indicators to monitor.
- 2) *Sparked by the aid-effectiveness debate, broad support was also mobilized among donor agencies for a shift from stand-alone project funding to program-based approaches (PBAs) in the form of poverty reduction strategy papers (PRSPs) for debt relief and sector-wide approaches (SWAs), including pooled budget support*. The shift to PBAs

brought with it a corresponding shift in the frame within which poverty monitoring and evaluation is to be undertaken: from project to program or policy. Note that the PBA orientation is fundamentally statist: PRSPs and SWAps are country-led, feature strong local ownership and rely on local structures and systems—government ones. Likewise, the locus of M&E for PBAs tends to be the central state agencies—Finance, Planning, Statistics, sometimes even the office of the Head of State—or the national sector ministries driving the SWAps (see Groves and Hinton, 2004).

- 3) *Strategies and methods for policy monitoring were elaborated, and the desirability of mixed—qualitative and quantitative—methods received widespread agreement.* The World Bank (2004) provides its staff and borrowing countries with a range of tools for the monitoring and impact assessment of PRSPs. The OECD has stimulated considerable dialogue and analysis on accountability in SWAps. In the field of public-sector reform, Brinkerhoff and Crosby (2002: 222) propose four components of a good system for policy monitoring: “a management information system based on targeted indicators; stakeholder monitoring to track the responses of the winners and losers to policy reform measures; diagnostic studies to devise practical solutions to implementation problems; and process and impact evaluations to support learning over time.”
- 4) *Strategies and methods for participatory monitoring and evaluation (PME) moved from the margins to the mainstream, and from the micro-level to the macro-level.* The World Bank, OECD and most bilateral agencies elected to adopt and promote some form of PME in their work (Jackson, 2000). Groups such as the Institute of Development Studies, Participatory Research in Asia, the International Development Research Centre and a host of other NGOs and think tanks tested new methods for scaling up PME from the community to the institutional and national levels (Estrella, 2000; Gaventa, 2002; Cornwall, 2000; Lusthaus et al, 1999). Community and citizen scorecard methods were devised to enable civil society to evaluate government budget performance on social expenditures, and transmit scorecard findings to macro-level decision-makers, such as Parliamentarians (Gariba, 2003). And the scholarly and professional journals continued an open and more precise debate on the methods, limits and possibilities with PME and associated approaches (Brinkerhoff, 2002; Corkerill et al, 2000; Corneille and Shiffman, 2004; Floc’hlay and Plottu, 1998; Nicholson et al, 2002; O’Sullivan and D’Agostino, 2002; Themessl-Huber and Grutsch, 2003; Walden and Baxter, 2001).
- 5) *Decentralization remained solidly on the governance agenda, and appears not to be going away.* If anything, the past five years have witnessed greater attention to and understanding of decentralized governance, in the service of both democracy and poverty reduction, on the part of donors and developing countries alike. Some countries—Ghana and Uganda, for example—have carried the process further, into successively deeper levels of implementation and understanding—though they have also confronted new and sometimes unanticipated challenges along the way (see Devas and Grant, 2003; Krishna, 2004).

Outstanding Issues

In spite of these significant gains, however, outstanding issues remain. These issues present challenges to donors, governments and NGOs that seek to implement DPM, and these challenges must be addressed directly, in forthright fashion:

- 1) *Overall, the period saw far more “talk” than “walk” on decentralized poverty monitoring.* While stacks of practical reports, manuals and tools for policy and participatory monitoring were published, and the internet and conferences were filled with useful dialogue and debate, most implementation was focused on central government agencies. With some notable exceptions, only rarely did poverty M&E efforts make it outside capital cities, and even more infrequently was this work based at the sub-regional/district level.
- 2) *The PBA approach offers a very narrow-gauge role for civil society.* Because of their fundamentally statist nature, program-based approaches generally offer little opportunity for civil-society organizations (CSOs) to participate fully in poverty-reduction efforts (Jackson, 2004). One important role encouraged by some PBAs is for CSOs to enable citizens and communities to assess public expenditure on social programs. But there have been only tentative steps taken to test modalities for financing this role on a continuous basis and ensuring the independence of CSOs, communities and citizens in carrying out this role.
- 3) *Practical expressions of the PBA approach have been ambiguous, at best, on what role technical assistance (TA) can or should play in the implementation and monitoring of poverty-reduction policy.* Aid-effectiveness debates have prompted welcome rethinking on this question, with several commentators arguing for TA procurement to be taken out of the purview of donors and placed firmly and transparently within the developing country budget. At the same time, efforts should be made, these commentators say, to strengthen national capacity to manage TA, expand local consulting markets, and untie more donor aid. Traditional forms of TA provision should give way, they say, to locally owned and directed forms (Williams et al, 2003; Lavergne, 2004). It is not clear how such a transformation could be engineered in the particular field of decentralized poverty monitoring, but there are certainly opportunities to do so.
- 4) *The development actors have not yet moved from their preoccupation with horizontality to a stronger focus on verticality.* By definition, the PBA approach demands coherence and coordination across donors that are pooling their efforts, and across central agencies and sector ministries of developing country governments. Much effort has been devoted by all players to harmonize administrative procedures across these key players. However, decentralized poverty monitoring requires that the actors now change their focus and direct their energies to facilitating the vertical links and capacities of the vertical—macro-meso-micro—linkages of poverty monitoring. Furthermore, the levels that probably need the most strengthening and resources in order to render the system as a whole successful are the district and regional levels.

- 5) *An appreciation of the importance of the granularity of development remains underdeveloped.* When you run your hand over a piece of cut wood, you can feel the uneven bumps and contours with your hand; this is granularity—differentiation and specificity at the most micro level. PBA discourse tends to obscure the granularity of development—the fact that the experience and characteristics of poverty can vary markedly from not only one district to another, but one community to another, indeed, one *household* to another. Decentralized poverty monitoring is able to assess micro-level variation in deprivation and assets, and suggest locally appropriate solutions. Centralized monitoring is incapable of this. Yet governments and donor agencies, preoccupied by macro-level policy processes, tend to undervalue granularity.
- 6) *The complex roles of the local government official in DPM in managing negative and positive findings, as well as stakeholder expectations, are not well understood.* When government officials are confronted, by NGOs, opposition politicians, or citizens themselves, with negative assessments of poverty and government expenditure, are those officials (whether they are elected representatives or professional public servants) prepared to receive this information constructively and find ways to take action on it? Or, as is more often the case, do government officials respond defensively or counter attack—or even listen at all? Local officials are at the nexus of DPM, and they must be trained and incented to see this role as an important and legitimate part of their job. They must also be trained and supported in managing stakeholder expectations, in a transparent and accountable sense and not for the purposes of manipulation.

Learning to Walk the Talk: Ghana's Promise

Ghana holds much promise as a leading site to advance the practice of decentralized poverty monitoring worldwide. There are important *enabling factors* in the policy environment in Ghana. First, the national government has shown a strong commitment to deepen and strengthen decentralization. Second, the country is characterized by a stable political environment and open political culture. Third, there is growing interest in M&E by a sub-group of development partners involved in shaping Phase II of the Ghana Poverty Reduction Strategy. Fourth, the National Development Planning Commission has established a common national framework, set of indicators and reporting protocols for poverty monitoring. Finally, some regions, with and without donor support, have tested methods and generated innovations in DPM (see Asante and Shepherd, 2003).

Pilots and experimentation on the ground have yielded some relevant lessons:

- Using community-level survey data and simple software, a district database system can aid local planning, decision-making and budgeting (Volta Region, Danish Aid to District Assemblies);
- Improved monitoring will only yield optimum benefits if local demand for information is stimulated (Brong Ahafo Region, BADSP/DFID);
- Manuals for training district planning and budget personnel, accountability workshops, and regular RPCU on-site inspections and reviews of district expenditures, can help

control and target spending of District Assembly Common fund monies (Ashanti Region, Asante and Shepherd, 2003).

- RPCU monitoring can also assess the general financial management capacity of the district and help strengthen it (Upper East Region, Upper West Region and Northern Region, District Capacity Building Project);
- Civil-society organizations can animate community scorecards on district poverty-reduction expenditures (UER, UWR, and NR, DISCAP);
- Indicators, and data collection and analysis methods, can and should be gender-sensitive (UER, UWR and NR, DISCAP).

These and other lessons can inform further development of the DPM system in Ghana.

Looking ahead, there is much to build upon. The main components of a national platform for decentralized poverty monitoring in Ghana must be the following:

- Phase II of the Ghana Poverty Reduction Strategy;
- Multi-donor budget support;
- NDPC's framework, indicators and procedures; and
- Capacity development, especially at the regional and district levels.

In particular, capacity development efforts must ensure: common tools and procedures at the regional and district levels; ongoing training and coaching for regional and district officials, including DA members; focused support to CSOs for community scorecards; instituting gender-sensitive data collection and analysis methods; and continuous learning and improvement, vertically, horizontally and inter-regionally.

Conclusion

It is time to walk the talk of decentralized poverty monitoring. It is time to move from pilots and analysis to full-fledged nationwide implementation. Ghana is well-positioned to demonstrate to the world how this transition can be made and, in so doing, help advance international policy and practice in this important field. In order to succeed, both the Government and development partners need to mobilize substantial and targeted political, human and financial capital in the service of DPM implementation. If they can do so, Ghana can catalize and shape decentralized poverty monitoring in many other countries while it promotes fairness, prosperity and accountability throughout its own regions, districts and communities.

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