

Joint Review 2006: Poverty Analysis and Monitoring Systems Group

1. Executive Summary

Performance in 2005

In the area of area **Poverty Analysis and Monitoring System**, overall performance in 2005 was satisfactory, with positive performance against the two PAF targets. The development of the PARPA was an impressively consultative process and the target was fully met, though with some delays. The target for initiating the single process for the formulation of MTEF, PES and OE was met, though real progress was limited due in large part to the split of the Ministry of Planning and Finance and the burden of drafting the PARPA II. There were, however, positive steps taken such as the inclusion of *off-budget* funds in the OE and the estimation of costs and fiscal projections in the PARPA II. In the broader area of M&E, there were some positives, particularly in the strengthening of the participative poverty monitoring process through the national and provincial poverty observatories that were held. INE rolled out the “ESDEM” database to the provinces and has developed the capacity of sector experts to use it, which should strengthen monitoring of the PARPA at provincial level. The Balanço do PES, the main M&E tool of the Government, has shown some improvements although weaknesses remain at the level of analysis and consistency between it and the PES. A number of quantitative and qualitative poverty analyses were published, adding to the body of Government led poverty research, and much of this work was used in the formulation of the PARPA II. There has been a steady improvement in the quality of quantitative analysis, although the capacity of Government to undertake both quantitative and particularly qualitative analysis and use it to inform planning, budgeting and policy making needs to be strengthened further. Coordination between international partners and their interaction with Government was satisfactory, though there were specific instances where the working group structure as a communication channel was bypassed by individual donors. In terms of lessons learnt, the group agreed that it needs to review its Terms of Reference with a focus on breadth of membership and the workplan and scope of the group. It will also be necessary to use the opportunities created through the process of developing PARPA II to strengthen the overall PARPA II M&E framework.

2. Assessment of the Government Performance in 2005

Performance Towards PAF Indicators

Concerning the first target in this area – **PARPA review completed through a consultative process** – 22 Working Groups were created with the participation of the Government, civil society and international partners. Such groups worked throughout the year to produce sector reports for the PARPA (as well as inputs for the Joint Review and Mid Year Review). Two Poverty Observatories (OP) were held at the national level (August and November) to present and discuss the major PARPA II strategic lines and to present and discuss respective preliminary versions of the document. In order to capture the viewpoint of the provinces in relation to PARPA II, 9 Provincial Poverty Observatories (OPPs) were organised. Each observatory had representatives from Government, civil society and international partners, although the quality of civil society participation was variable. At the end of the year, the PARPA II document reached the finalisation phase, however it is still awaiting the development of strategic indicators and finalisation of costs estimations. This target was met, with delays.

The second target – **the initiation of the single process for the formulation of the MTEF, PES and OE** – was met, though real progress was limited due mainly to the split of the Ministry of Planning and Finance and the burden associated with the drafting of PARPA II. However, there are still internal discussions within the MPD in relation to this issue and PARPA II in itself has contributed to the process through the inclusion of: (i) an estimation of costs, defining the MTEF budget projections, and; (ii) specific targets for strengthening the single process developed by the Operational Matrix. Further to that, good progress was made in terms of including all relevant outside funds in the OE (a prerequisite for a genuine single process) through the efforts of the Ministry of Finance and the *Off-Budgets* Working Group. Overall assessment of this target was that it was partially met.

PARPA Monitoring Systems

The M&E system is still being developed both at the central and provincial levels. Capacity development efforts in 2005 focused on central, provincial and district levels in the areas of M&A, planning and the integration of cross-cutting issues into plans. Such initiatives have been informative for the proposed consolidation of a more effective PARPA II M&E system.

The revision of PARPA represents an important moment to consider the challenges facing the M&E system, namely the need to combine quantitative and qualitative information and alignment with the decentralisation process.¹ This last aspect relates to mechanisms for participative poverty monitoring. This is an area which saw good progress in 2005, particularly at the provincial level through the establishment of Provincial Poverty Observatories (OPPs), making the M&E system more inclusive. The OPPs not only constitute the pillars for the participation, but also strengthen the territorial axis in the implementation of the M&E system of the PARPA II.

Another key aspect for the M&E system is the strengthening of the linkages amongst the instruments of planning, budgeting and monitoring and a better alignment with the planning cycle at all levels of Government and international partners. In 2005, the MPD developed Terms of Reference for a study to identify solutions to improve linkages between the cycles of M&E and planning and to overcome the existing constraints (e.g. timeframes). This study was delayed but will be carried out in 2006.

Despite considerable efforts by the Government to improve the main monitoring tool of its activities (the BdPES), by integrating evaluations on indicators of the Millennium Development Goals (MDGs) and cross-cutting issues, there are still some weaknesses, particularly in terms of: (i) the quality of analysis of statistics, performance and policy impact; (ii) its consistency with the PES; (iii) the mastering and use of the BdPES and PAF indicators at the provincial and district levels; (iv) the lack of data disaggregated by gender and equity; (v) a lack of information on the activities of MPD, and; (vi) the information flow between the various levels of Government, both horizontal/sector and vertical/territorial.

¹ One first exercise in this scope was conducting a Qualitative Study On Poverty in Inhambane and Sofala in 2005. At the analytical level, the results of the study were crossed with the existing quantitative surveys particularly the IAF/QUIBB and interpreted with the aim of creating inputs for planning strategies to fight the poverty.

In the period under evaluation, it is also important to mention the efforts developed by INE, namely conducting the first labour force survey at the national level (IFTRAB), which allows for the visualisation of the employment, sub-employment and unemployment rates. Further to that, INE has rolled out the ESDEM data base at provincial level and has trained sector experts in using it. This will strengthen the M&E system of the PARPA at provincial level.

In 2005, the PARPA II Communications Strategy was also designed to raise awareness and increase access to information about the value of the PARPA process. Preliminary consultations took place between the Government, civil society and international partners to ensure that the Strategy coordinates all the communication efforts in the country. By the end of the year, the drafting of a broad based campaign strategy for the launch of PARPA II was under way. The Strategy is not only for the dissemination of PARPA II, but is also an instrument for the strengthening of communication and feedback between the Government civil society and international partners, together with the different levels of Government.

Poverty Analysis

In general terms, the progress made in 2004 was maintained in 2005, in terms of the production of analysis related to poverty and in terms of capacity building for MPD experts in that area. In fact, the Government has been expanding its scope of analysis with the view of a more holistic understanding of the poverty phenomenon. The MPD has produced quantitative and qualitative studies in cooperation with various partners.²

The findings of analyses produced (either in 2005 or in previous years) were used in the formulation of PARPA II. For example, the findings were used: (i) in the analysis of the evolution of poverty and the associated confidence intervals; (ii) in the analysis of the prevalence of malnutrition in children and some other qualitative welfare indicators; (iii) in the estimation of the economic impact of the HIV and AIDS pandemic and in the identification of the most strongly affected group (i.e orphans and vulnerable children); (iv) in the analysis of consumption distribution; (v) in the impact of education on poverty and economic growth; (vi) in the vulnerability of the economy and of the poor to increases in the price of petrol; and, (vii) in providing resources to key sectors, such as education, in the MTEF/cost estimation.

IFTRAB (mentioned above) also allows for estimating the national poverty index in 2005 (i.e. outside the IAF cycle) through the QUIBB module that is integrated within the survey. This survey shall be published in 2006.³

3. Recommendations / Key Lessons Learned

PARPA Monitoring systems

- Government will maintain its commitment to improving the PARPA M&E system. It will establish a clear plan of action setting out the specific steps required in this process, with emphasis on the identification of gaps and priorities for capacity strengthening. Partners will support Government in the delivery of this programme.

² See: <http://www.mpd.gov.mz> for electronic versions of these articles in English.

³ For methodology, see “Estimando Índices da Pobreza a partir de Indicadores Simples de Inquéritos”, Simler, Harrower & Massingarella, 2003.

- Government will maintain its commitment to strengthening participative poverty monitoring mechanisms. In particular, by increasing the quality of participation in and reach of the National and Provincial Poverty Observatories through improving information flows and, working with civil society, increasing capacities for participation – the Communication Strategy should play an important role in this. It is important that the deliberations in these fora be taken into account in policy making and planning at provincial and national levels
- The Government will align the PARPA participatory monitoring system with the decentralisation process around the IPCCs (Community Consultation Participative Institutions) which will have M&E responsibilities. This will start in 2006 in Nampula Province.
- In 2006, the delayed study on *Ways to improve the linkages between the M&E cycles and planning* will be completed. ToRs will be amended so as not to overlap with the “Sector Alignment Study”.
- In order to improve the analytical quality of the BdPES and its consistency with the PES, Government will carry out a participative review of the “guidelines” for the formulation of these instruments (PES and BdPES) and will disseminate to sectors at the central and provincial levels (starting in 2006 and finishing in 2007). Additionally, Government will undertake a capacity building exercise tailored for sector planning experts to strengthen the quality of PES/BdPES and the linkage with the OG.
- To take forward the single process of planning, budgeting and monitoring, the Government will organise a retreat with the objective of mapping the next phases of this initiative. Further to this, in developing indicators and targets related to this process for the new Strategic Matrix, Government will identify concrete and monitorable measures of progress.
- Government, civil society and partners will reconsider the ToRs of the Poverty Analysis and Monitoring Group. In particular, the review will examine: (i) the membership of the group, which could better reflect the breadth of responsibilities for implementation of the M&E system and be better balanced, and; (ii) the workplan and scope of the group.

Poverty Analysis

- It will be necessary to improve the capacity that exists in Mozambique to do poverty analysis (both quantitative and qualitative), with a strong emphasis on the integration of the results into planning, budgeting and policy making.

PAP's Performance

- In reconsidering the ToRs of the Poverty Analysis and Monitoring Group it will be necessary to strengthen the Group as a forum for communication and policy dialogue so as to: (i) strengthen the coherence and predictability of inputs from international partners, and; (ii) better align and harmonise the international partners with the policies and processes of the Government, for example through aligning capacity strengthening efforts with the Government's M&E systems.

4. PAF Matrix 2005

Sub-areas	Objectives	Actions	No.	2005		
				Target	Performance	Classification
Planning and Monitoring	Harmonisation of medium and short term instruments	PARPA Review completed through a consultative process	35	√	√	Met with delays
		Single process for the formulation of MTEF, PES and OE.	36	Initiate	Initiated	Partially met

5. PAFs Performance Assessment in 2005

In general, performance was satisfactory. The participation of partners in the Poverty Observatory Process has been consolidated but needs to be improved at the provincial level.

In terms of the PARPA review process, partners' engagement in different Working Groups contributed to the success of the process and their inputs were positively integrated into PARPA II. However, specific bilateral interventions outside the Working Group process undermined the coherence and predictability of inputs from international partners.