

**Poverty Monitoring and Evaluation by civil society in Zambia:  
Rationale, objectives, methodology and design**

**Prepared for the Civil Society for Poverty Reduction (CSPR)**

**by**

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## **Purpose of this report**

The purpose of this report is twofold:

- 1) To scrutinise the Zambia PRSP M&E reports prepared by the Government of Zambia and other organisations, and
- 2) To develop an M&E system for the civil society in Zambia that will help it monitor progress in poverty reduction and evaluate the efficacy of poverty reduction programmes.

## **Rationale and objectives**

The civil society in Zambia through the network of the Civil Society for Poverty Reduction, CSPR, has been an earnest and exemplary participant in the process of formulating the first document on Zambia's PRSP that covers the period 2002 – 2004. The country is thus currently mid way through the present phase of the PRSP and soon it would be time to commence the preparation of the PRSP document for the next phase beginning 2005. It is, therefore, imperative that all stakeholders in Zambia's PRSP process begin to take stock of what is being achieved in the present phase, in other words, to monitor and evaluate the on-going programmes and activities in terms of reducing poverty in the country.

The Zambian Government did assign a significant role to the civil society in PRSP formulation. The avowed intentions and expectations are that in order to sustain the participatory nature of the PRSP process that began with its formulation, civil society would continue to be an integral part of the Government's M&E process as well. And the Government is in the process of finalising its PRSP M&E system.

The question then arises: why does civil society in such circumstances need its own independent M&E system? There are some valid reasons for this.

*Firstly*, civil society's perspectives on what constitutes successful implementation of poverty reduction programmes need not always coincide with those of the Government. Governments may at times tend to claim success mainly on the basis of input and output indicators without paying sufficient attention to their transmission links to outcome and impact indicators, while civil society may be more concerned with the latter. For instance, Booth and Lucas (2002) cite the problem of the 'missing middle' in Uganda's Poverty Eradication Action Plan, PEAP. They quote from Hauge (2001) who states that 'managers become motivated to establish goals they know they can attain, with little regard for whether they make a difference on the ground or contribute to longer-term goals'.

Even in the initial stages of PRSP preparation, civil society in Zambia was not satisfied with what it considered to be an overemphasis by the Government on economic growth as the principal route towards poverty reduction. The CSPR's own PRSP document prepared in June 2001 stated in its Foreword that the question about the nature of the path

towards poverty reduction was “not simply an *economic* question. At its most profound level it is an *ethical* question, for the answer reveals the moral tone of a nation that should see human development in terms that are *wider* than more Manda Hill shopping malls and *deeper* than mere abstract economic growth figures.”

This tendency to stress on income growth and to treat it as almost synonymous with poverty reduction is not unique to Zambia. Booth and Lucas (op. cit.) also cite the findings from a study by Thin et al. (2001) covering a review of PRSPs in Sub-Saharan Africa that income is typically represented not as a means to improve welfare but as an end in itself: ‘paradoxically, lack of education and lack of adequate nutrition are seen as less basic to the definition of poverty than lack of income’. And the predominant empirical result is that there is no necessary strong correlation between income and other dimensions of welfare.

As a more recent and specific example in Zambia, in the 2003 Budget Address, the Minister of Finance and National Planning expressed satisfaction that funding was released for the rehabilitation of hospitals and clinics, that 29 primary schools were built across the country and that K22 billion worth of school requisites including textbooks were procured. Civil society, however, may be more interested to know what the exact outcomes of these disbursements were on improvements in service delivery in areas where such deliveries were most needed. In particular, to what extent households living in extreme poverty are the beneficiaries. This is not to suggest that the Government would not be concerned with such welfare outcomes. The distinction made here could be one of degree, focus and emphasis and not of kind. In sum, to quote Booth and Lucas again, it needs to be recognised that the PRSP M&E is not a purely technical activity but is a fundamentally political one with technical dimensions.

*Secondly*, civil society’s involvement in the Government’s M&E system would be limited and may not provide an adequate avenue to articulate all of civil society’s needs and concerns. The CSPR today is a very comprehensive and far-flung network of a large number of non-governmental and community based organisations (NGOs and CBOs) involved in a variety of poverty reduction activities and it would be highly facilitative for all these organisations to make their substantive contributions if the CSPR had its own independent M&E programme in addition to its participation in the Government’s programme.

*Thirdly*, as in the case of PRSP formulation when the CSPR came up with its own document, a separate M&E system of the CSPR can serve to complement and not compete with Government efforts. While civil society’s participation in the Government’s M&E process could concentrate at the level of input monitoring such as public expenditure management and budget tracking (that would also serve to ensure transparency of these processes), civil society’s own M&E system could supplement Government’s efforts in monitoring outcomes and impacts. Outcome and impact monitoring requires not only quantitative but also qualitative data. While the Government would be collecting quantitative data through large-scale surveys such as the Living Conditions Monitoring Survey, Demographic and Health Survey, etc., civil society too

can collect useful quantitative as well as qualitative information through, for example, its own participatory assessments and service delivery and other surveys as well as research and analysis. The JCTR's Monthly Basic Needs Basket data and its policy oriented studies relating to Zambia's debt, basic education and basic health care are good examples. The proposed CSPR-ZAMSIF joint venture to analyse PRSP impacts from a participatory perspective is yet another illustration of this.

In here, it is also important to recognise one of the strengths of civil society, namely, that all the civil society organisations collectively have representatives and focal points in virtually every district in the country. Since meaningful poverty monitoring requires highly disaggregated data, it is obvious that civil society organisations constitute a competent source of data collection at grassroots level.

The monitoring systems of the government and the CSPR could thus together make for a more efficacious national PRSP monitoring system.

## **Methodology**

Before we go into the existing documents dealing with monitoring and evaluation of Zambia's PRSP, we need to understand the broad methodology of an M&E system. The World Bank has already prepared a PRSP Sourcebook and one of the chapters therein (authored by Prennushi, Rubio and Subbarao) outlines the main ingredients in the development of a poverty M&E system. Our discussion will rely mainly, but not exclusively, on this sourcebook.

Poverty monitoring is a process that involves tracking changes in poverty outcomes over time and across groups and areas; collecting information to study the determinants of such outcomes; and providing feedback on the effectiveness of poverty reduction efforts.

Two questions need to be clarified at the outset. One, what is the difference between monitoring and evaluation? Two, why do we need monitoring and evaluation?

The answer to the first question is that monitoring relates to the entire programme of PRSP activities while evaluation attempts to study the effects of particular programmes or interventions. For instance, in the *Zambian* context, monitoring would be undertaken to know what is happening in the area of education as a whole while evaluation would be undertaken of a particular programme such as PAGE (Programme for the Advancement of Girls' Education). Evaluation, by virtue of its specificity, would thus require more detailed data and more complex methodology of analysis than monitoring. Consequently evaluation can be undertaken of only a few key interventions that are a priori deemed to have the potential to achieve high poverty impacts.

The answer to the second question as to why we need M&E is that such an exercise will enable us to know whether PRSP programmes are being implemented as planned and whether the PRSP objectives are being realised in consequence. And if any divergence is found to exist between actual and planned implementation, M&E will help us to identify

the problems that need to be solved. In Zambia, for instance, only K110 billion were spent on PRSP activities in 2002 as against the planned expenditure of K 450 billion. One would need to know why this happened so that necessary adjustments/corrections can be made in future budgets.

The main steps involved in M&E in the context of PRSP are the following:

- Understanding the nature of poverty;
- Setting goals, indicators and targets;
- Selecting indicators;
- Defining information needs and availability;
- Creating a feedback process;
- Defining institutional functions and resource requirements;
- Promoting participation.

We shall first outline the gist of the World Bank's views on each of the above steps, including some asides of our own. We shall then summarise the M&E system that is used in Uganda as an illustrative case. Although this is the system that is used by the Ugandan Government, there are many ingredients that are of interest to civil society here as well. We shall then review the proposals of an M&E system for Zambia presented in various existing documents. Finally we shall propose an M&E system that civil society could use.

#### Understanding the nature of poverty

The World Bank document conceives of poverty as multiple deprivations suffered by individuals or groups. It focuses on four important aspects of deprivation: deprivation in income, health, education and security. Equivalently poverty is defined as a multidimensional phenomenon that implies lack of economic opportunities in terms of income and consumption, capabilities, security and empowerment.

#### Setting goals, indicators and targets

Goals are the objectives that country wants to achieve, e.g. reducing extreme poverty. Indicators are those that are used to measure progress towards the goals, e.g. the percentage of the population living the extreme poverty line. Targets are quantifiable levels that a country wants to achieve, e.g. reduce extreme poverty levels in Zambia from the existing level of 58% to no more than 29% by 2015.

Goals and targets are to be set based on the current situation and what is attainable in a given country in a given time. They could be set at different levels of disaggregation and they could include qualitative and subjective factors.

In here, it is important to recognise that what is achievable is dependent upon the resources available and this in turn would be dependent upon the level of commitment and will that the Government in particular and the nation as a whole has to achieve its set objectives. Indeed, it is only at the stage of implementation and M&E that this

commitment is seen more conspicuously in terms of actual resource disbursements. For instance, in 2002, while the PRSP programme budget was K450 billion, the actual amount spent was only K110 billion.

### Selecting indicators

There are four types of indicators:

- *inputs* that refer to the financial and physical indicators of resources provided for programmes – input monitoring;
- *Outputs* that refer to the goods and services generated – programme monitoring;
- *Outcomes* that refer to access, usage and satisfaction indicators – beneficiary monitoring; and
- *Impact* that refers to the improvements in the living standards – poverty monitoring and impact evaluation.

The inputs and outputs constitute the *intermediate* indicators while the outcomes and impacts constitute the *final* indicators. For example, if the goal is to reduce extreme poverty, the intermediate indicators could be the expenditure on employment programmes for the poor and the number of beneficiaries of these programmes while the final indicators would be the incidence of extreme poverty, the poverty gap ratio and the income/expenditure of the poorest 20% of the population as a proportion of the income/expenditure of the entire population.

For indicators to be deemed good, they must be direct and unambiguous measures of progress, be sensitive to changes in policies, programmes and institutions, must not be easily manipulated by unrelated developments and must be amenable to being tracked frequently and without too much cost.

Intermediate indicators of course can be monitored at shorter intervals than final indicators. But it must be noted that there is no automaticity in the linkage between intermediate and final indicators. More resources devoted to building more schools and clinics need to automatically result in higher enrolment rates and more educated student population or better medical facilities and services and reduction in the incidence and burden of disease. A recent piece of research (Mwikisa and Seshamani, 2003) shows for example that in Zambia there is a distinct difference in the level of access to health facilities and health services. While access to health facilities is not bad, access to services are often poor. In a remote district like Shangombo, for example, there are nearly three dozen health centres and yet the services, characterised by inadequate medical personnel and drugs, are poor.

In short, the intermediate indicators may be regarded as *necessary* but *not sufficient* indicators of the achievement of PRSP goals. In other words, if intermediate indicators themselves do not indicate progress, it is not likely that the goals will be achieved; but even if they are achieved, they are by themselves no guarantee that the goals will be achieved.

The report by Kamanga et al (2002), states that the main issue in respect of indicators is to be able to determine on a participatory basis a certain number of indicators that presents a reasonable trade-off between comprehensiveness and economy in producing a list indicators for the PRSP. The report suggests a maximum of 30 indicators that take into consideration the following:

- The indicators should be widely recognised by ordinary people;
- The indicators must relate to sectors and actions that need to be prioritised *now*;
- There must be indicators that accurately measure the performance of a particular sector;
- There are indicators that result from a wide range of actions, where attribution is problematic. For instance, reductions in U-5MR result from not only improved preventive and curative health services but also from mothers' education, food security and income. Hence U-5MR may be a good indicator of poverty reduction overall, but a bad indicator for the performance of the Ministry of Health since the ministry would not have all the factors that influence the indicator under its control.

#### Defining information needs and availability

The information needed for M&E will depend on the set of indicators that have been chosen to monitor the PRS programmes.

While there are a number of data sources such as national accounts, ministry reports, price data, and so on, the main source of information will be household surveys that provide information on poverty outcomes together with information on some determinants, based on a statistically representative sample in a fairly quantitative manner.

There are of course various types of household surveys and their overall utility will vary with the level of information yielded for poverty monitoring vis-à-vis the costs especially in terms of time. Multi-topic surveys such as the Living Conditions Monitoring Surveys (LCMS) conducted in Zambia provide the best information in the context of PRSP monitoring. They provide measurement and analysis of various poverty dimensions and their inter-relationships and correlation. However, they are time-intensive with respect to the data collection and analysis. Demographic and Health Surveys too are time intensive but they are useful mainly for understanding health poverty and behaviour and are limited in the measurement of other dimensions of poverty. Similarly, Employment Surveys that provide information on employment patterns and wage income analysis and Single topic Surveys that are conducted largely in respect of income poverty measurement are time intensive but highly limited in their diagnostic capabilities for poverty monitoring. Rapid Monitoring and Service Satisfaction Surveys also are limited in diagnosis but are nevertheless quick and cost-effective in key welfare indicators.

However, no Household surveys, not even the LCMS, can tell us about the reasons behind behaviours or explain outliers. In this regard, these quantitative household surveys

are no substitute for good qualitative stories. And qualitative stories are provided by Beneficiary Assessments, Participatory Assessments, Longitudinal Village Studies and their kind.

The above kinds of information gathering can be used not only for monitoring the PRSP but also for evaluation. In evaluating the PRSP, as opposed to monitoring, one not only synthesises the results of monitoring and explain the changes observed, but also deal with the question: can the changes observed be attributed to the PRSP or would they have happened anyway? In this sense, evaluation is an activity undertaken *subsequent to* monitoring. While monitoring is undertaken at every phase of the PRSP programme, evaluation is undertaken at the middle or after the programme has been completed.

It is obvious that the frequency of data collection will vary with the kind of data collected and the methodology adopted. The frequency of data collection could vary from monthly and quarterly basis ( macroeconomic indicators, prices and wages) to annual (social indicators), to three to five years (LCMS, DHS) to ten years (Census). The data will also need to be disaggregated by different geographical, gender, socio-economic and other criteria.

#### Creating a feedback process

Feedback process is the mechanism by which monitoring results are disseminated and used to assess overall progress and decide on future course of action. For this there has to be a dissemination strategy for timely dissemination of reliable results on the basis of a broad identification of users and information needs and the establishment of a link between monitoring activities and the PRSP or budget cycle.

#### Defining institutional functions and resource requirements

Appropriate institutions need to be identified (Central Statistical Office, central and line ministries, universities and research centres) that can be entrusted with the functions of collecting, processing, analysing, storing and disseminating data.

The identified institutions need to have the capacity to perform the functions. Resources would be needed to build capacity. And appropriate training programmes and technical assistance for capacity building will have to be identified

#### Promoting participation

Participation needs to be promoted in order to set goals through broad consensus, in the choice of methodology, through collaboration in data collection and analysis and dissemination of findings.

### **Poverty monitoring in Uganda**

#### Institutional framework

The following institutions are involved:

- ❑ *Poverty Monitoring Unit* that co-ordinates the poverty monitoring system. It compiles all data sources and documentation and disseminates the results.
- ❑ *Poverty Working Group*. This consists of government officials, representatives of NGOs and academia. This Group ensures that the results of the poverty monitoring system are taken into consideration and acted on by the relevant sector working groups. It makes recommendations on overall budget allocations of resources for poverty reduction and other budgetary policies that have an impact on the poor.
- ❑ *Planning Units in line ministries* have a role in policy making.
- ❑ *Uganda Bureau of Statistics* collects and analyses data from household surveys.
- ❑ *District Planning Units* collect and analyse data at the district level.
- ❑ *NGOs and academia* will eventually participate in data collection and analysis.
- ❑ *Economic Policy Research Centre and Institute of Economics, Makerere University* conduct in-depth studies.
- ❑ *Universities and NGOs* collect and analyse data according to their own interests and mandate or for their clients.

#### Poverty monitoring process

Monitoring is done at three levels:

- ❑ *Inputs*: Expenditure tracking on poverty reducing activities, benefit incidence and analysis of public spending, estimates of sectoral effectiveness in getting funds to institutions that actually deliver public services.
- ❑ *Outputs*: Tracking of intermediate output indicators on a regular basis on the basis of sample survey data.
- ❑ *Outcomes*: Assessing progress in reducing poverty, improving health, raising educational achievement and enhancing the voice and participation of the poor, using information from Household surveys.

#### Main features

- ❑ Use of household surveys to prepare high quality estimates of trends.
- ❑ Participatory work that has influenced budgetary allocations.

- Indicators to monitor progress in all sectors.
- Results disseminated through a Poverty Status Report published every two years.
- Proposal to link GIS and sources of data.

### **Review of existing documents**

In this section, we shall review three main documents: GRZ PRSP document, GTZ’s consultancy report commissioned by the Ministry of Finance and National Planning (MFNP), and DFID’s Mission report also submitted to the MFNP. All these reports relate to the M&E system for use by the Zambian Government.

#### GRZ’s PRSP document

The PRSP document contains 17 chapters of text and three Appendices. Chapter 17 deals with the PRSP Monitoring and Evaluation and Appendix 3 describes the Objectively Verifiable Indicators. Our review will cover these relevant areas of the document.

The document states: “The primary aim of Zambia’s poverty monitoring system is to track progress being made in the achievement of the goals and objectives set out in the sectoral chapters using an appropriate mix of intermediate and final indicators. The intermediate indicators are mostly composed of factors that are under the control of implementing agencies such as line ministries. On the other hand, final indicators are mostly composed of aspects of welfare not directly under the implementing agency’s control. An annual PRSP report will be produced to monitor progress towards PRSP implementation”.

The document states that the indicators were selected by the various thematic working groups. It states that the Millennium Development Goals were also taken into account, although there is no strong evidence of this. Further, fieldwork was undertaken to ascertain what indicators were actually collected and monitored by various institutions. Chapter 17 lists what are considered to be the core indicators while Appendix 3 provides the detailed list of all the indicators. These in most cases include the core indicators shown in the table in Chapter 17. The following table summarises the distribution of all the indicators contained in the document as between core and other indicators and as between intermediate (I) and final indicators (F). In a couple of cases the core indicators were yet to be developed (TBD).

**Table 1: Distribution of indicators in Zambia’s PRSP document**

Sector/area	Core Indicators			Other indicators			Total I	Total F
	I	F	TBD	I	F	TBD		
Macro	2	3		13	2		15	5

economics							
Agriculture	2	2	6	15	8	17	
Tourism	1	3	5	6	6	9	
Mining	0	4	8	2	8	6	
Industry	0	3	7	4	7	7	
Health	3	1	5	11	8	12	
Education	2	2	1	22	3	24	
HIV/AIDS	2	1	1	11	3	12	
Nutrition	0	0	15	9	15	9	
Gender			√	0	9	0	9
Environment	0	1	4	4	4	5	
Energy	2	3	5	3	7	6	
Water and Sanitation	2	2	13	1	15	3	
Transport & Communication	0	1	19	1	19	2	
Roads	0	1	5	0	5	1	
Governance			√	10	3	10	3
Total	16	27	117	103	133	130	

*Source:* Computed and compiled by the author from Table 17.1 and Appendix 3-1 to 3-14 in Republic of Zambia (2002a).

When one looks at the number of inconsistencies and anomalies, it may not be unreasonable to say that sufficient thought was not given to the preparation of the indicators in the PRSP. One observes the following from the text and the Appendix tables:

- The core indicators shown in the text are apparently supposed to be a subset of the total set of indicators shown in the Appendix tables. (Hence in our table above, in determining the number of indicators under the category ‘Other indicators’, we have subtracted from the total number of indicators shown in the Appendix, the number of core indicators shown in the text table). However, this does not seem to be the case in some instances. For example, mining growth rate that appears as a core indicator does not appear in the complete list of mining indicators in the Appendix. Similarly, a number of core indicators in Health do not appear in the Appendix list of detailed indicators.
- Some of the indicators are not exactly the same in both lists. For example, in agriculture, the core indicator shown is ‘expenditure on extension and veterinary services’ (which would be an intermediate indicator), while the corresponding indicator shown in the Appendix table is ‘farmers accessing extension and veterinary services’ (which would be a final indicator).
- There is a full list of indicators for Nutrition, but there are no core indicators. This is a conspicuous omission. Surely, nutritional poverty as reflected in a high number of

malnourished and stunted children is an important dimension of poverty in Zambia and merits being monitored through some core indicators.

- Core indicators for gender and governance are yet to be developed. Both gender and governance are very significant themes and the fact that the core indicators were not developed suggests that not enough work was done in the thematic groups in respect of indicator development.
- The classification of some indicators is questionable. For instance, one Governance indicator suggested is: ‘All leaders of political parties to denounce corruption’, and this is classified as a final indicator. Clearly, this can be disputed. Likewise, the formulation of a national environmental policy can hardly be conceived as a final indicator as shown in the Appendix table. In here, one has to bear in mind the distinct criterion used to distinguish between an intermediate and a final indicator, namely, that intermediate indicators are under the control of the implementing agencies while final indicators are not. In that sense, the governance indicator cited above could be deemed a final indicator. But surely, the formulation of a national policy on environment cannot be outside the control of implementing agencies in Government? Indeed, the use of this criterion would render the classifications of many other indicators untenable. For instance, under Industry Indicators, ‘Pledged foreign direct investment in manufacturing’ and ‘Domestic pledged investment in manufacturing’ are classified as intermediate indicators. But surely, these cannot be mostly under the control of implementing agencies? Again, ‘Training institutions established in the private sector’ in Tourism cannot be an intermediate indicator for the same reason.
- The distribution of indicators as between Intermediate and Final categories seems to be balanced on the whole. However, there is imbalance in respect of particular sectors. For example, Education has a total of 3 intermediate and 24 final indicators, while Transport and Communication has 19 intermediate and only 2 final indicators. Of course, one does not imply that the numbers of intermediate and final indicators have always to be balanced, it would depend on the nature of the sector/area to some extent. Nevertheless, the highly skewed distribution illustrated above is also indicative of not sufficient thought being given in the determination of the indicators. Also, the fact that some sectors like education have a significantly larger number of indicators than others may also be attributable at least in part to the possibility that some sector working groups probably did more homework than others. In short, one gets the impression that the indicator lists from various sector groups were simply put together to get the total indicator list for overall PRSP monitoring without any careful central scrutiny of the individual lists.

Chapter 17 of the PRSP document provides an institutional framework for M&E. It states: “The overall poverty monitoring function will be done by PEMD in the Ministry of Finance and National Planning. .... The MFNP in collaboration with sector ministries, NGOs and civil society will work out and implement a comprehensive monitoring system on the basis of performance, and intermediate and final indicators. At the local level, the

District Planning Units will work through the District Development Coordinating Committees while at the provincial level the Provincial Planning Units will work through the Provincial Development Coordinating Committees”.

The institutional framework is shown in a chart that shows the MFNP as the core agency that links itself to PEMD within itself, to other line ministries within Government and to NGOs and civil society outside of Government. What does not come out clearly is what in particular would be the nature and extent of the link with NGOs and civil society in the monitoring process. The fear is that the link may not be strong. As Republic of Zambia (2002b) prepared by GTZ (and which we review in the next sub section) states: “... it appears that a number of key institutions such as ZAMSIF, academia, and the PRSP Working Groups, or an oversight committee, have been omitted from this diagram. This overly MFNP-centric viewpoint reads like an organogram of the Ministry with rather peripheral add-ons for sector and line ministries and NGOs and civil society, and is not a real Poverty Monitoring and Analysis Institutional framework. In this regard, the institutional framework for monitoring the PRSP should best be described as a developing situation”. One may reiterate here that this one strong reason why civil society needs to have its own M&E system, instead of waiting in anticipation of the Government assigning it a key role.

#### The GTZ Report

This report in fact is a GRZ document commissioned by the Ministry of Finance and National Planning. However, it was prepared by two consultants under Technical Co-operation with GTZ and hence is referred to here as the GTZ report.

The report makes a comprehensive evaluation of the Government’s M&E system with an emphasis on the role of districts and provinces.

The report advocates a holistic approach to poverty monitoring through the use of the four types of indicators suggested by the World Bank, namely, inputs, outputs, outcomes and impacts. In this regard, the report contains two useful tables in the Annex: a table showing the comparison between the Millennium Development Goals and Indicators with the Zambian PRSP indicators and another table in which the Indicators shown in Appendix 3 of the GRZ PRSP document have been reclassified as Intermediate (in the sense of Input and Output) Indicators and Final (in the sense of Outcome and Impact) Indicators. This latter table in particular enables us to see more clearly the gaps in the distribution of the PRSP indicators among the four categories.

The report also recommends that the indicators need to be disaggregated by geographical areas, gender and specific population groups. This is in view of the great disparities that exist in Zambian terms of these criteria.

The inadequacy of the institutional arrangements in the Government’s M&E system brought out in the report has already been explained in the previous section. To improve the arrangements, the report recommends that at the national level, the institutional set-up

must include the Poverty Monitoring and Analysis Unit in ZAMSIF, the PRSP Working Groups that were formed for the preparation of the PRSP document, academia, and the existing ZAMSIF Poverty Monitoring Steering Committee. At the district level, it is recommended that a sub-committee of the District Development Coordination Committee be formed to take responsibility for all monitoring activities at the district level.

The report identifies as the biggest problem the utilisation of the results and analysis that emerge from poverty monitoring for decision making and planning. The main bottleneck in this regard is the capacity for analysis. There is also weakness in the feedback of data to those involved in decision making at the provincial and district levels. The reason for this is that the Ministry of Finance, the central organisation in monitoring, does not have the right channels for feedback to the districts and the local government. Furthermore, *timely* feedback to the provinces and districts of the relevant data is also hindered by the fact that the main source for generating poverty monitoring data are surveys conducted by central level institutions and the processing of these data sometimes takes months if not years.

Other recommendations in the report include the following:

- Improving the involvement of civil society and other actors in expenditure monitoring.
- Strengthening the Management Information Systems of key sector ministries that have a key role in monitoring PRSP activities. This can improve availability and use of information at district level.
- The links between qualitative and quantitative data exercises must be developed and strengthened.

### DFID Report

This is a two-volume DFID Mission Report on PRSP Poverty Monitoring and Analysis in Zambia submitted to the Ministry of Finance and National Planning in January 2003. Volume 1 deals with Diagnostic and General Recommendations. Volume 2 is entitled Framework for Action.

Volume 1 of the report is of the view that because PRSP monitoring structures and systems are not well developed and because there are capacity and resource constraints, there should be only an incremental approach to the development of these structures and mechanisms. Grandiose designs should be avoided. This should apply to decentralisation as well even though it holds great promise for redistribution and poverty alleviation through greater grassroots control over resources and their utilisation. In the initial stages, monitoring mechanisms such as parent teachers associations, health boards, and various society watchdogs could be built to enhance community participatory input into the process.

The report suggests an institutional mechanism that is more involving of stakeholders than the one the Government has set up. The set-up proposed by the report would include three kinds of structures:

- (1) A *technical* structure mainly at the national level and a few at the decentralised level either in the provinces or within civil society. The technical co-ordination will be done by the Poverty Analysis Unit in PEMD within MFNP.
- (2) A *consultative* structure that will provide an opportunity for all stakeholders to be informed of the results of the technical structures analyses and reflect upon their policy decisions. The suggestion made here is to establish a National Poverty Forum that will meet several times a year and facilitate information dissemination among stakeholders.
- (3) An executive *political* structure that makes decisions on the basis of the recommendations of the national technical structure and of the consultative structure. Here the Cabinet office is identified as the key co-ordinator at the national level. Provincial Permanent Secretaries will play an important role in resource allocation decisions at the provincial levels in line with the national and regional priorities.

The report suggests that a study should be commissioned to establish the viability of de-linking planning from the Finance portfolio. It makes some recommendations for capacity building within the Government institutions especially the line ministries that would be the main source of information on PRS indicators.

From the perspective of the civil society, the structure proposed in the DFID report would definitely accord it a greater level of participation in the Government's M&E system than the structure contained in the Government's PRSP document. Civil society would have a key role in the consultative structure and a somewhat limited role in the technical structure. However, there does not seem to be any participation in the political structure that is the component of the proposed poverty monitoring institutional set-up that will eventually make all decisions on resource allocations. Figure 3 in Volume 1 of the report that shows the organic links between the three structures of the monitoring and analysis system does not reveal any direct links of Civil Society Organisations with the political structure. Civil society, notwithstanding its technical contributions and information feedback, would, therefore, only be a passive observer of the eventual decision –making process. The issue is not whether this would be legitimate or not to exclude civil society from the political structure. But the exclusion is a reason why civil society needs to develop its own M&E system in order to play a more dynamic role in poverty monitoring.

A final comment that can be made on the DFID's proposed institutional set-up is that it still looks MFNP-centric – a comment made in the GTZ report on the Government's M&E structure.

Volume 2 of the DFID Report begins by stating the core principles of the Poverty Monitoring and Analysis (PMA) system. These are stated to be: national ownership and appropriation, participation of various stakeholders at both central and decentralised levels, harmonisation of poverty-related data, policies and programmes and non-duplication of tasks, responsiveness to demands from users both within and outside Government, collaborative engagement between government agencies and technical units, civil society organisations, parliamentary committees and the international community and cost effectiveness of PMA activities.

Three core components of the PMA have been identified:

- (1) A *Poverty, Vulnerability and Inequality (PVI) Monitoring Component* that will monitor well being of the population, especially the poor through outcome and impact indicators.
- (2) A *Poverty Reduction Strategy (PRS) Monitoring Component* that will monitor budgetary allocations, programmes and project activities through input and output indicators.
- (3) An *Impact Assessment Component* that will assess the impacts of selected policies and programmes.

The above depiction is not distinctly novel. It merely recasts the World Bank framework of poverty monitoring through the four-fold indicators relating to input, output, outcome and impact, and evaluation of specific programmes and activities.

In addition to the above three core components, the report also suggests two complementary components of PMA. One is a Management Information System component that will allow data to be organised and allow it to flow easily from producers to users. The second one is the Communication/Advocacy component that will data to reach end users through a variety of media, with the objective of influencing the formulation of policies, programmes and projects and resource allocation, and inducing participation in the poverty reduction process.

The above two components, once again, are only a concrete recognition and articulation of the need for establishing appropriate feedback mechanism that was described in the methodology section.

### **A suggested framework for PRSP monitoring by civil society**

#### Tracking changes in the poverty situation

Both poverty and progress are often measured by statistics and numbers. But both poverty and progress are not about numbers alone. Poverty is pain and suffering resulting from deprivation of some facet of human wellbeing. Progress is the qualitative improvement in people's lives. Poverty is not just deprivation in income or of access to a school, a health facility, safe water, and so on. Poverty has a human face. It manifests itself in a variety of ways such as a child that is stunted or malnourished, a youth that has

nothing meaningful to do in life, an adult that is illiterate, and so on, and the disempowerment of both individuals and society that results therefrom.

Civil society is, therefore, of the view that while incomes need to be raised, schools and medical facilities need to be built, bore holes and roads need to be constructed, and so on, these activities are not ends in themselves. The ends are for instance enabling households to satisfy their basic needs, ensuring that children of school-going age are able to go to school and receive edifying instruction, ensuring that people who fall sick are able to access health facilities with relative ease and secure the needed services therefrom. When such things happen, the country would have the needed cohort of empowered human beings or human capital that can enable it grow and progress in human development.

Civil society's objective in PRSP monitoring would, therefore, be to focus on the ends and not just on the means. There is, however, a time dimension in the linkage between ends and means. Hence, in the short run (e.g. during the current phase of the PRSP), one would have to see if the means are adequately put in place (input and output monitoring) and who have benefited as a result (beneficiary monitoring). The monitoring of the final outcome in terms of impacts (e.g. human capital formation) will have to be considered over a longer time horizon.

#### Objectives of an M&E system for civil society

The following would be the main objectives of an independent M&E system for civil society:

- To enhance the effectiveness of civil society's participation in the Government's M&E system.
- To undertake collection and analysis of data and research that would complement the Government's efforts in this direction.
- To monitor Government's commitment to poverty reduction and to the implementation of PRSP programmes through budget and expenditure tracking and the formulation of appropriate indicators for this purpose.
- To focus on areas that may not distinctly fall within the ambit of Government's focus in poverty monitoring and analysis. For example, beneficiary assessments, participatory assessments, qualitative dimensions of deprivation, benefit incidence analysis, and the like.
- To develop indicators in addition to those included in the Government's M&E system that enable it to track changes in the thematic categories in its own PRSP document. In particular, to track changes in the status of prominent poverty groups and analyse poverty transitions. To ensure that poverty reduction occurs through elimination of poverty and not of the poor.

- To publish and disseminate down to the grassroots levels its own Poverty Status Report every year or every two years.

### Formulation and selection of indicators

The following guidelines are suggested for the selection of indicators:

- Civil society's monitoring should not overly replicate the indicators that have already been developed and proposed for use by the Government. The trends in these indicators, however, would be noted by civil society in the process of its own monitoring.
- Civil society should use indicators that show not just progress but also the persistence of deprivation. For example, in education it is not enough to know the enrolment rates in schools but the percentage of school-going children of a particular age group, say 7-13 years, who are not enrolled in school in the relevant grades, say primary school. This is because while enrolment rates may go up, the latter percentage may not necessarily come down.
- Civil society should also focus on the poverty situation in respect of various socio-economic groups, especially those that are known to bear the brunt of poverty, for example, small-scale farmers, female- and child-headed households, and so on.
- Civil society should attempt to complement the Government's efforts by trying to provide insights that may not readily be provided through Government data and analysis. Examples that can be cited are mortality-adjusted incidence of poverty, cumulative deprivation, and so on.
- Civil society also has the onus of ensuring that Government's commitment to PRSP is sustained at a high level and hence needs indicators that will monitor this commitment.
- Civil society's resources for poverty monitoring are even more limited than those of the Government. Hence, it must engage in economical and cost-effective monitoring. To this end, it must focus attention on a select number of additional indicators (i.e. in addition to those that are available through the Government M&E system) relating to high priority areas. Two things can be mentioned here. *One*, these priority areas will change over time and hence there is no one set of indicators that can be invariably used over a long period. Indicators can be revised from time to time. Some indicators may be dropped and new indicators may be developed as the situation changes. *Two*, since the CSPR has come into existence only after the advent of the PRSP, it will do well to conduct its poverty monitoring and evaluation within the content and temporal framework of the PRSP. In here, it can use its own PRSP document as a basis in addition to the national PRSP document. One may also recollect that final indicators especially relating to impact can be monitored only over a longer period of time. Hence, in the present M&E exercise, civil society can focus on intermediate and outcome indicators on which data can be more readily made available. Impact indicators can be included in later phases of PRSP monitoring.

Based on the above considerations, the following table presents a set of indicators that can be used by the CSPR in the first 2-3 years of poverty monitoring. This list does not prominently include those indicators that have already been included in the Government PRSP M&E scheme. The aim here is to provide a complementary list that will enhance our understanding and insight on what is happening in respect of the poverty reduction process in Zambia.

In addition to the computation, analysis and monitoring of the indicators included in the table, the CSPR could also undertake each year a limited number of studies that would contribute to a further understanding of the qualitative dimensions of the development process. Two such studies that can be undertaken in the preliminary years are in respect of functional literacy levels and practice and promotion of preventive health care. These are areas that have not been adequately explored. Sporadic studies have shown that both functional literacy and preventive health care are at fairly low levels. We shall say a little more on the quantitative approach in the next section.

**Table 2: List of proposed indicators for civil society in the initial phase of PRSP monitoring**

Issue to be addressed	Indicators	Nature of monitoring	Frequency	Level of disaggregation	Source of information
<b>National commitment to PRSP and poverty reduction</b>	• PRSP budget as % of total budget	Input	Annual	Not applicable	Budget Address, Economic Report, Yellow Book and other financial records
	• Actual PRSP expenditure as % of total expenditure	Input	Annual	Not applicable	Audited expenditures, and other financial records
	• Yearly % change in real PRSP expenditure	Input	Annual	Not applicable	As above
	• Yearly % change in per capita	Input	Annual	Sector (basic health, basic education, etc.)	As above, and relevant

	real basic social service expenditure				line ministry/sector reports
<b>Poverty dynamics</b>	<ul style="list-style-type: none"> <li>• Mortality-adjusted incidence of poverty. See Technical Annex for explanation</li> </ul>	Impact	2-3 years	By provinces, districts, rural-urban, socio-economic groups	LCMS data
	<ul style="list-style-type: none"> <li>• Index of Overall Deprivation (e.g. like the one in Sehamani, 2000). See Technical Annex for explanation.</li> </ul>	Impact	2-3 years	As above	LCMS data
<b>Vulnerability</b>	<ul style="list-style-type: none"> <li>• % change in number of street children.</li> </ul>	Impact	2 years	By geographical areas, gender	Specific studies
	<ul style="list-style-type: none"> <li>• % change in children aged 7-13 years who are not enrolled</li> </ul>	Impact	2 years	As above	LCMS, Ministry of Education

	<ul style="list-style-type: none"> <li>in primary school.</li> <li>• % change in population without access to safe water.</li> <li>• % change in population without access to hygienic sanitation.</li> <li>• % change in population without access to health services.</li> <li>• % change in households that are food insecure</li> </ul>	Impact	2 years	As above	LCMS
		Impact	2 years	As above	LCMS
		Impact	2 years	As above	LCMS, Ministry of Health, Central Board of Health
		Impact	Impact	As above	Ministry of Agriculture
<b>Programme benefits/beneficiaries</b>	<ul style="list-style-type: none"> <li>• Annual % change in net enrolments in primary schools.</li> </ul>	Outcome	Annual	Geographical areas, rural-urban, gender, groups in income poverty	Ministry of Education

<ul style="list-style-type: none"> <li>• Annual % change in health centres with no shortage of drugs.</li> <li>• Annual % change in health centres with the needed complement of qualified medical staff.</li> <li>• Number of districts/ villages with zero % households suffering from food shortage.</li> <li>• Number of districts/ villages with needed feeder roads</li> </ul>	Output	Annual	Provinces, districts	Ministry of Health, Central Board of Health
	Output	Annual	Provinces, districts	Ministry of Health, Central Board of Health
	Impact	Annual	Districts, villages	
	Impact	Annual	Districts, villages	

### The Qualitative approach

The indicators in the preceding section are quantitative in character. However, as has already been stated, the qualitative approach provides a very useful supplement to the information provided by quantitative data and indicators. Some of the main

methodologies adopted by this approach are Participatory Rural Appraisal (PRA), Participatory Urban Appraisal (PUA) and beneficiary Assessment (BA). PRA and PUA place emphasis on community-level interviewing while BA concentrate on household and individual interviews.

The qualitative approach also overcomes some of the weaknesses of the quantitative approach. The latter approach tends to measure that which is measurable and to ignore important items that are not easily amenable to quantification. This could at times lead to misleading results. Empirical studies have shown, for instance, that households that are seen to have become poorer by quantitative measures have appeared better-off when seen through qualitative indicators and vice versa. The quantitative approach also fails to capture the intra-household dynamic. For example, the 1994 Zambia Poverty Assessment found that men rank assets highly whereas women focus more on basic needs. These differences in perceptions influence divisions of tasks within the households. In the rural areas, women may spend several hours every day collecting water during the dry season. Again, sale of assets as a coping strategy may affect men and women differently.

The 1994 Zambia Poverty Assessment also brought out a number of other facts that would not have been easily seen through quantitative indicators. Some of them are:

- Indices of living standards based on a number of non-income indicators (housing quality, nutritional status, access to services and asset holdings) are only imperfectly correlated with the headcount measure of income poverty.
- Rudeness of health staff and problems in fee exemption schemes were important factors that discouraged the use of health facilities.
- Seasonality influences living conditions. Hence, it would be less of a burden on households if payment of school fees were spread over the academic year than if they had to be paid at a time that coincides with peak expenditure periods for poor rural and urban households.

The following is a suggested sample of issues that can be verified through qualitative assessments during the initial phase of PRSP M&E in Zambia:

- The impact of seasonality on food security, health status, access to water and ability to meet the costs of education.
- Motivation of service staff. Rudeness of health staff would discourage the sick from going to the health facilities. Low morale of teachers would affect the quality of education and functional literacy.
- Corruption. This could lead for example, to a distorted distribution of farm inputs with some areas not receiving any inputs and other areas being specially favoured.
- The extent of moonlighting for supplementary incomes that could lead to reduced provision of services by those engaging in it.
- Perception by parents of the value of education. This has been known to influence enrolment rates even if education were free.

- Loss of labour time due to HIV/AIDS.
- The burden of orphans and vulnerable children on the aged.
- Impact of droughts and floods on household livelihoods, food security and poverty.
- The prevalence of charcoal burning as a source of livelihood and its consequence for deforestation.
- Attitudes towards men and women: are men considered to be superior to women?
- The growing culture of crime and violence in urban areas.

However, in trying to obtain information on the qualitative aspects of poverty through different types of participatory approaches, it is also important to bear in mind some of the weaknesses that could exist in the use of such approaches which may not facilitate the vices of the poor. Hanmer, Pyatt and White (1997) cite the following major weaknesses:

- Information that is recorded may represent the voice of the powerful members of the community and not of the poor.
- Even if it represents the voice of the poor, the poor do not speak with one voice and hence not all the poor may be heard.
- The information recorded may neither be of the poor or of the powerful but of those conducting the survey. They may have their own opinions and they may shape the discussion and the conclusions.
- There is the danger of poverty voyeurism. Details of the personal lives of the poor are recorded in order to put in little boxes in expensively-produced reports. This can be at the expense of time of the poor that they cannot afford. Allied to this is the fact that such interviews may raise false expectations among the poor that benefits will accrue to them or to their community as a result of the interviews and surveys. The morality of the participatory assessments may therefore be called into question.

### Institutional linkages

The CSPR has a secretariat, a main steering committee and three principal task forces – Monitoring and Evaluation, Information Dissemination and Advocacy, and Capacity Building. The CSPR is administered and co-ordinated by the Jesuit Centre for Theological Reflection. In its monitoring and evaluation activities, the Monitoring and Evaluation Task force would have a key role but it does not preclude a role for the other task forces.

In the M&E process, the CSPR would interact with the Government, its member NGOs, Universities and research institutions and its own focal points.

In its interaction with the Government, the key institution it would deal with would be the Ministry of Finance and National Planning (MFNP) and its various units and departments. It would also have a prominent linkage with the Central Statistical Office and line ministries such as Health, Education, Community Development and Social Services that are closely and conspicuously involved in implementing poverty reduction programmes. The CSPR's interaction with the MFNP in particular would be through its

participation in the Government's PRSP M&E system, HIPC Monitoring Committee, Budget Task Force and the like.

The CSPR would be reliant on its own focal points as well as on its member NGOs and their own regional branches and focal points for decentralised monitoring of poverty as well as feedback.

For detailed data analysis and research and even generation of additional data, the CSPR would need to commission from time to time resource personnel from the academic institutions and private consultancy firms.

The entire set of inter-links of the CSPR with other institutions is shown in the chart in the Annex.

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## **Technical Annex**

### Mortality-adjusted incidence of poverty

The rich or the non-poor have lower mortality rates and higher life expectancy than the poor. Because poverty is often associated with lack of food security, lack of access to health services, safe water, etc, the poor are more likely to die of premature mortality than the rich. Consequently, the death of a poor person will reduce the incidence of poverty. In other words, the incidence of poverty may come down not because the poverty of the poor has been eliminated but because the poor themselves have been eliminated through premature death. Hence, in calculating the incidence of poverty in a country like Zambia, it is important that the poverty measure takes this factor into account.

Some fairly complex measures have been suggested in a recent paper by Kanbur and Mukherjee (2003) but one can construct simpler measures as a starting point.

### Index of deprivation

It is widely recognised that poverty is a multidimensional concept. It does not mean deprivation in income alone. Also, moves in income and non-income poverty trends may not be consistent with one another. Hence, it is preferable, to devise a more holistic index or indicator of poverty that is based on a number of key dimensions in addition to income or money-metric variables.

One such index was developed in Seshamani (2000) based on 15 different variables that include variables relating to money-metric incidence of poverty, variables relating to vulnerability, knowledge deprivation, and variables relating to access to basic social services and basic infrastructure. This index was calculated for all the 72 districts in Zambia using 1998 LCMS data.