THE APPROVED PROPOSAL FOR
THE ESTABLISHMENT OF A
SADC REGIONAL POVERTY OBSERVATORY (RPO)

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ACRONYMS

AIDS ........................................... Acquired Immunodeficiency Syndrome
APPA ........................................... National Action Plan for Poverty Alleviation
ASGISA ......................................... Accelerated and Shared Growth Initiative of South Africa
CSO .............................................. Civil-society Organization
FNDP ........................................... Fifth National Development Plan
GEAR ............................................. Growth, Employment and Redistribution
HIV ................................................ Human Immunodeficiency Virus
ICT ................................................ Information and Communication Technology
ISRDS ............................................ Integrated Sustainable Rural Development Strategy
KPI ................................................ Key performance indicators
MDG ............................................... Millennium Development Goals
M&E ............................................... Monitoring and Evaluation
MTEF ............................................. Medium Term Expenditure Framework
NDP ............................................... National Development Plans
NEDPP ........................................... National Economic Development Priority Plan
NGO ............................................... Non-governmental Organization
NPRS ............................................. National Poverty Reduction Strategies
PPA ............................................... Participatory poverty assessment
PPP ............................................... Purchasing power parity
PPPs ............................................. Policies, programs and projects
PRS ............................................... Poverty Reduction Strategy
PRSAP ........................................... Poverty Reduction Strategy and Action Plan
RBM ............................................... Results Based Management
RDP ............................................... Reconstruction and Development Programme
RISDP ........................................... Regional Indicative Strategic Development Plan
RPF ............................................... Regional Poverty Framework
RPO ............................................... Regional Poverty Observatory
SADC ............................................. Southern African Development Community
SS-RPO ........................................ System of Support to RPO
UNDP ............................................ United Nations Development Programme
URP ............................................... Urban Renewal Programme
1 INTRODUCTION AND BACKGROUND

1.1 The SADC Heads of States and Government held a Conference on Poverty and Development in April 2008 and signed a Declaration on Poverty Eradication and Sustainable Development. The Declaration focuses on the region needing to accelerate and prioritise pro-poor development. Article 3(i) of the Declaration is a resolution for SADC to work on establishing a Regional Poverty Observatory (RPO) to monitor progress made in the implementation of initiatives towards poverty eradication and (3ii) acquire and develop adequate capacity both at the SADC Secretariat and at Member States level to ensure effective implementation of poverty eradication programmes.

1.2 As such, the SADC Secretariat engaged a team of experts to assist the Secretariat with the implementation of this decision. They started this assignment in April 2009 and as part of the process held consultation meetings with the Secretariat, Member States and none state actors. Due to limited resources 8 Member States were identified for national consultations including Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Tanzania and Zimbabwe. They also carried out surveys of Poverty Observatories from other regions bringing in useful lessons for the SADC RPO design. After the initial consultations, a zero draft report was produced. Progress was noted by Council at its Ordinary meeting in September 2009 in Kinshasa, DRC. In December 2009, a workshop for Member States, representatives of the Directorates within the Secretariat and other key stakeholders was held in the DRC, out of which came the draft which is being presented to Council for its Consideration.

1.3 This report is the proposal for the SADC RPO. It spells out the institutional, technical and financial architecture of the RPO, as well as the main challenges and nature of challenges that may be encountered in setting up the RPO. For the Institutional Architecture, the main issues revolve round the location, mandate, operations, governance, and coverage of the RPO. With the Technical Architecture, the data flow pattern between the national nodes and the RPO, delineation of the major indicators identified under the thematic areas covered by the RISDP, and review of the collective clusters identified by member states in their poverty reduction programmes received attention. For each thematic area, the technical architecture identified the intended outputs, the indicative activities, the output indicators and possible inputs. The Financial Architecture provides an indicative budget for the RPO and briefly highlights the implications for ownership and sustainability.

2. CONTEXTUAL FRAMEWORK

2.1 The SADC region has witnessed the negative impact of the global financial and economic crisis which was preceded by the food and fuel crises. The region faces a high and growing level of poverty. Close to 45% of its population live on 1 US $ a day or less, with life expectancy having declined from 60 to 40 years in less than a decade. Against this background, it is clear why countries in SADC have made poverty reduction their major goal of development policy as articulated through the Regional
Indicative Strategic Development Plan (RISDP), which assigns top priority to poverty eradication, achieving high and sustainable economic growth and deepening economic integration. The RISDP identifies poverty as “one of the major development challenges facing the SADC Region”. In line with MDG 1, the RISDP target is to halve the proportion of the population that lives on less than US$ 1 per day between 1990 and 2015. The goal of reducing poverty in the SADC region has remained a high priority area in the SADC agenda.

2.2 SADC Member States have through various declarations and frameworks committed themselves to the eradication of poverty both at the regional and national levels. These efforts have resulted in regional policy initiatives such as the Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plan of the Organ (SIPO); and at the national level various poverty reduction frameworks. No doubt, individual countries in SADC have made substantial progress with poverty reduction efforts through the implementation of programs aimed at reducing poverty including Poverty Reduction Strategy (PRS) papers. One major observation on this process is the need for more systematic analysis, data gathering and monitoring of poverty-related issues. Poverty monitoring is chiefly about identification of where the most vulnerable are located within society, what their salient socio-economic characteristics are, and how they have been changing over time. A complete monitoring and evaluation system could track all four elements of the process, that is, (i) inputs, (ii) outputs, (iii) outcome and (iv) impact, and the means to collect and analyse them.

2.3 While the RISDP identifies poverty eradication as a cross cutting priority however it does not clearly articulate key intervention areas, strategies and the activities that will have direct impact on poverty in the short, medium and long terms. Following a series of regional workshops on poverty reduction and Member State consultation meetings on tackling poverty, commissioned researches with emphasis on the operationalisation of the RISDP and the SADC Strategic Indicative Plan of the Organ (SIPO) led to the development of the Regional Poverty Reduction Framework (RPRF) as the key implementation mechanism of the RISDP and SIPO in its overarching poverty reduction eradication intervention area. Thus the RPRF is poised to become the key instrument for the ‘eradication of poverty amongst vulnerable groups in the SADC region.

2.4 The RPRF focus on clusters garnered from national poverty reduction strategies and as identified and prioritised in the RISDP: These include: (1) a bold attempt to integrate the PRS with other national developmental priorities such as Vision Plans, National Development Plans or other growth and development strategies; (2) the recognition of the role of an appropriate macroeconomic framework for sustained economic growth leading to the reduction of income poverty, (3) the role of expenditures on pro-poor growth for sustained social and human development leading to the improvement of the quality of life and social well-being; (4) good governance and accountability and (5) agriculture, food security and natural resources (6) Infrastructure for regional integration and (7) cross-cutting issues with emphasis on the eradication of HIV/AIDS; removal of gender imbalances; and implementation of policies that engender environmental sustainability. These thematic areas constitute the pillars on which the
RPRF rests and thus constitute the basis for the construction of the monitoring indicators in the RPO.

2.5 A poverty observatory basically refers to a mechanism or institutional arrangement that allows for an extensive overview, analytical framework, and outlook regarding strategies, indicators, policies and programs relating to poverty in a regional context. The success of poverty-reduction efforts is directly related to capacity to implement policies and programs that effectively target the poor. To this end, a framework that systematically monitors, evaluates and reports on the performance of such policies and programs is central to a poverty observatory. Monitoring and evaluation provide information and feedback necessary to keep policy and programs efforts on track. Thus, one major objective of the Regional Poverty Observatory (RPO) will be to monitor and evaluate progress made in the implementation of initiatives towards poverty eradication by member countries and continue to identify challenges, cutting-edge methods, and opportunities for improvement. While all SADC Member States have mechanisms and focal points for monitoring poverty, others such as Mozambique, DRC, Mauritius and Tanzania have even gone further to establish poverty observatories. Thus the decision to harmonise such efforts at the regional level through the establishment of a SADC RPO is timely.

3. POVERTY DEFINED

3.1 Constructing a poverty observatory requires that the poverty level be properly defined in the regional context. Defining the poverty level is crucial in determining the share of the poor in any population sample. However, because of the multidimensional nature of poverty, no single satisfactory measure of absolute poverty exists. In SADC, poverty measures vary across countries. Most countries in the region use a combination of the absolute and relative poverty measures. For instance, the RISDP, defines the region’s poor as the 45% of the population that live on less than US$1 per day. The 1995 World Summit for Social Development defined absolute poverty as a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to social services.

3.2 This report will adopt the SADC official definition of absolute poverty complemented by a relative poverty measure, as well as access-related and social indicators measures adopted by Member States. Poverty is defined as the triple ‘jeopardy’ of deprivation, vulnerability and inequality to individuals, households, communities or nations. The study also takes into account SADC’s recognition of poverty as having a gender dimension and the resultant commitment to mainstreaming gender into the Region’s Development Agenda, as enshrined in the SADC Declaration on Gender Equality and the SADC Protocol on Gender and Development.

3.3 The definition of poverty subscribed to in this work is therefore not only limited to “income disparities”, but takes cognisance of a broad range of human conditions associated with poverty, including wealth distribution measure.
4. STATISTICS IN SADC

4.1 SADC, through the RISDP, considers statistics a priority intervention area, which aims to provide relevant, timely, accurate and comparable statistical information for planning, policy formulation, implementation, and monitoring and evaluation of SADC integration activities. The development of SADC Statistics is guided by the strategy document approved by the SADC Council of Ministers in 1998, which stipulates that SADC Statistics are critical in the monitoring and evaluation of the SADC Programme of Action and the regional integration process.

4.2 Some examples of major interventions in generating Statistics include
- Agricultural Information Management Systems (AIMS)
- Regional Early Warning System (REWS)
- Drought Monitoring Centre (DMC)
- Regional Remote Sensing Project (RRSP)
- Vulnerability Analysis (VA)
- Regional Food Reserve Facility
- The SADC Environmental Information systems (EIS).

4.3 Despite this, southern Africa suffers from lack of regionally generated statistics, depending largely on international organisations for data and information. In some cases the data and information from such international sources is disputed as it is based on projections and is not well grounded. There are many reasons which force the region to depend on data from international sources, including lack of up-to-date statistics, lack of comparability of data across countries, and limitations in dissemination mechanisms such as databases, networking and connectivity.

4.4 A major effort at addressing these issues is currently being undertaken by the SADC Secretariat through the Statistics programme. Efforts have resulted to a large extent in the harmonisation of SADC statistics. It is expected that the Statistic programme will work together with the RPO towards ensuring adequate monitoring of poverty trends and developments in the region. While the Statistics programme will continue to act globally with respect to the generation of statistics in the region, the main focus of the RPO will be on monitoring and evaluation of progress in addressing poverty and its effects. The observatory will be the principal analytical body of the system. It will define data needs, develop surveys and work closely with the Statistics programme on poverty related activities.

5. RATIONALE FOR A REGIONAL POVERTY OBSERVATORY

5.1 Poverty reduction activities found in the region are comprehensive enough to guarantee desired poverty reduction outcomes, provided that the various programmes do what they have undertaken to do. One way to ensure that this happens is through appropriate monitoring and evaluation. The assessment of most of the poverty reduction frameworks in the SADC region shows that effective implementation of countries’ PRSs is more likely to occur when there is regular monitoring, evaluation, and revision of the strategy. Early reviews of the PRSs suggested that the treatment of
monitoring and evaluation in PRSs has generally focused more on improvements in data availability and quality and less on institutional arrangements. And while improving, PRS indicator lists are often long, sometimes not well defined, and baseline data are frequently unavailable. Also, there continues to be a tendency for PRS indicators to focus on inputs and impacts. Most PRS indicators have focused on budgetary or expenditure data (input indicators) and survey-based measures of well-being (impact indicators). This means that intermediate outputs and outcomes have generally received less attention, thus weakening government’s ability to understand how inputs translate into impact (IMF and World Bank, 2004).

5.2 With respect to data and analysis for PRS monitoring some notable improvements in data availability are observable in some Member States. But progress is uneven and falls short of what is needed to fully track indicators of development such as the MDGs. The statistical systems, while improving, remain fragile in Member States. No doubt, there is spurred interest in building institutional capacity for monitoring and evaluation, but most country systems still do not have strong and clear channels for linking data production, analysis and policy making. And there is need to keep the monitoring system simple and flexible, and be built progressively. Finally, there is need for capacity building within the agencies responsible for overall monitoring systems to redress observed weak analytical capacity. Capacity building is needed for data analysis and also to help stakeholders to read and understand the outputs of these analyses.

5.3 The RISDP asserts that it is aimed at eradicating poverty and that it is consistent with and complementary to national strategies. However, there is no existing framework for the articulation of individual countries efforts or monitoring of the same. Thus, no agreement has been reached on a standard model of poverty monitoring for the region. The RPO envisaged here would provide an institutional framework within the SADC Secretariat that would facilitate the establishment of a statistics database on poverty indicators and analysis of data and information from Member States.

5.4 By identifying poverty trends and challenges, such a model will further deepen the integration process by locating critical areas of policy intervention across countries as well as improving efficiency and creating synergies. In addition, it will align good practices and lessons learned in areas such as legal and institutional frameworks, mandate, membership, and outputs providing a source of knowledge and documented experience to other observatories within the region and worldwide. The flow of information generated by the observatory will make it possible to make informed, harmonized and timely decisions about potential reforms in poverty reduction strategies, policies and programs and to identify and capitalize on initiatives that, according to the data generated by the system, appear to be encouraging for replication.

5.5 Thus, a RPO could, inter alia, assist member states with the following services:

- Providing a coordinated approach and common standards to data gathering, systematic analysis and dissemination of data; and monitoring of poverty-related issues at the national level;
• Evaluate the effectiveness of individual and common strategies, policies and programmes on poverty reduction;
• Create a database for assessing member states' Poverty Profiles;
• Develop mechanisms for effective monitoring of living conditions and poverty at country level within the context of PRSs and National Development Plans (NDPs);
• Serve as a research and documentation centre for analysing the nature, dynamics and impact of poverty in the region;
• Encourage broad-based stakeholder participation and help stimulate debate on poverty-related policies through dissemination of information and advocacy; and guide Member States in effective implementation of poverty reduction strategies through dissemination of best practices in the region and beyond.

6. BEST PRACTICES IN POVERTY OBSERVATORIES

6.1 The SADC decision to set up the RPO is pioneering a new regional initiative in approaches that have emerged since the late 1990s to fight poverty. Many Poverty Observatories (POs) at the country level have been established in African countries and globally over the last decade or so and only a few at the regional level.

6.2 Outside Africa, important initiatives exist in practice at the country level. In France, the Observatoire National de la Pauvreté et de l’Exclusion Sociale, or –ONPES (National Observatory on Poverty and Social Exclusion) was established by law in 1998 in response to demands by French NGOs and upon the recommendation of the Economic and Social Council and the Council for Statistical Information. Sri Lanka’s Centre for Policy Analysis (CEPA) is unique in having attained independent commercial viability. It was established in May 2001 as an independent organization filling an institutional void in focused poverty research and analysis with special emphasis on poverty impact assessment. Working on commercial terms unlike most POs, it offers a set of four professional services, namely: applied research, advisory services, training, and dialogue and exchange. In Germany, the Observatorium für die Entwicklung der sozialen Dienste in Europa (Observatory for the development of the social services in Europe) was established in September 1999, with the principal objective of assessing social policy and social law developments in Europe in order to better represent and protect German interests.

6.3 Poverty Observatories in African countries are closely associated with the advent of PRSPs that have underpinned medium term development frameworks for the last ten years or so, especially for countries qualifying for concessional assistance, e.g., under World Bank’s IDA funds or African Development Bank’s ADF. The UNDP has been instrumental in the funding and formation of many of them as well as capacity building. Observatories exist in a large number of countries that include: Benin; Burkina Faso; the Democratic Republic of Congo (DRC); Guinea Bissau; Mali; Mauritania; Mauritius; Mozambique; Senegal; Cote D’Ivoire; and Rwanda. In designing the SADC RPO, lessons and insights from these POs have considered.
6.4 Overall, POs have focused on participatory economic growth, prevention of new poverty and better support for the poorest population. Domestic stakeholders usually encompass the central government, parliaments, national NGOs labour unions, media and private entrepreneurs. External players include multilateral and bilateral donors, international NGOs, and so forth. The impact of the observatories, in particular their ability to influence policy and promote a socially responsive policy agenda within the national and regional context remains difficult to assess due to challenges and limitations experienced.

6.5 Mandate/focus/activities
- The POs are set up mainly to coordinate the monitoring and evaluation activities of poverty strategies and/or social/human/economic development.
- Ensure focus in compliance with international, regional and national standards and mechanisms.
- They define periodic targets, and monitor closely the progress in implementing.
- They collect data on progress achieved, analyzing the data to orient better required action,
- Development of tools to collect data to ensure compliance with set of data and quality of information needed.
- The POs make recommendations to policy makers in order to promote the greatest impact of the implementation of poverty strategies.
- Conduct studies, research,
- Hold regular meetings, seminars with relevant stakeholders
- Establishing information data banks,
- Documenting experiences of best practices as well as publications.
- Capacity building of stakeholders
- Publishing and disseminates annual reports on human development and progress in achieving the Millennium Development Goals.

6.6 Composition/structure
- Some POs are units housed within a relevant government ministry.
- Some POs are stakeholder platforms that constitute an advisory group composed of members from selected governmental bodies and ministries and non-state actors. They tend to have a Secretariat which is housed in a government ministry.
- Most POs are centres that depend on decentralised structures for information and data. Data is collected at the local level where there exists a system of reporting on a minimum set of indicators, comparable across the same type of local level, as well as other indicators of interest to inform the own planning and monitoring activities. This enables feedback circulated from the local levels up to the national level.
- For national POs, they need to collaborate with line Ministries to follow-up on analyzing poverty levels and trends in the country, assessing the impact of policies, programs and projects in place on living standards, and improving the focus on poverty alleviation.
6.7 Funding
• Most POs receive support from ICPs for the technical units/secretariat and their programmes and activities.
• One PO (Sri Lanka) has attained commercial viability
• POs depending on government resources have seen depleted resources over time compromising their capacity and henceforth impact.

7. DESIGNING THE SADC RPO

7.1 The SADC RPO has been designed based on experiences learnt from assessing and reviewing other RPOs as stated above. It was informed by consultations held with Member States and other key stakeholders from April to December 2009. As such the final proposal is taking cognisance of the existing country level interventions and seeks to harmonise these to attain a regional poverty focus. In recognition of this, three major principles underlined the design of the RPO. First is the principle of Subsidiarity. By this it is meant that the regional approach should ‘complement’ national poverty reduction initiatives and ‘take advantage of the competencies that may exist at regional level to bolster national efforts’. Second is the principle of Selectivity. This means the regional poverty agenda will need to remain selective and poverty focused ‘so as to minimize overlapping and overstretching SADC’s limited resources’. Finally, the RPO emphasises partnership as a major principle. Thus, it is conceived that an approach that entrenches participation of all key stakeholders (governments, civil society organizations, private business organizations, and development partners).

8. THE PROPOSAL FOR THE SADC REGIONAL POVERTY OBSERVATORY

8.1 The RPO is proposed to be a forum where all the stakeholders working in poverty eradication at the regional and national levels periodically meet to evaluate and monitor the implementation of the RISDP and the RPRF once it has been adopted. The design is focused on a multi-stakeholder consultative forum for monitoring the objectives, targets and actions that have been specifically assigned to public and private sector within the SADC poverty reduction programme. Central issues that must be addressed in the RPO framework include:
• Participation and ownership must be assured (in the RPO case, commitment and consultation at the Member State level will be critical);
• A credible and efficiently implemented monitoring and evaluation system is central to the framework, and this can be underpinned by a well-designed results-oriented framework from the country level to the regional level;
• Capacity (adequate resourcing), training and addressing of the gaps thereof need to be secured early at the country and at the regional levels; and
• Sustainability needs to be embedded early in the process as financing is an issue across the board;

8.2 Furthermore, the examples seen in Rwanda, Mozambique and Mali demonstrate a model that combines local participation, and M&E with the requirements of reporting responsibilities to the centre. In particular, the examples show that at District or
Provincial level, monitoring and evaluation systems need not report the entire array of their poverty indicators (and area-specific dimensions of it) to the national level. A minimum set of indicators, comparable across submitting units (districts or provinces) may be submitted, while other indicators of interest can be processed locally to inform the reporting unit’s own local planning and monitoring activities.

8.3 Countries may continue with their current indicators, periodically generated for their own idiosyncratic approaches and country-specific dimensions of poverty reduction strategies. They could well report all their data sets to the RPO once the latter is established. To facilitate operation of the RPO, Member States need only report to the RPO (and mandate it to process for regional technical results) a mutually agreed minimum of indicators for the purposes of the framework to be established at regional level.

9. THE INSTITUTIONAL FRAMEWORK OF THE RPO

9.1 The institutional architecture deals with issues such as the structure and mandate of the RPO, its governance structure, its coverage, location, membership, access to data and information, output and method of dissemination of recommendations. It must be emphasized from the onset that there is no standard model for the institutional architecture of a poverty observatory. This proposal structured below is a formulation based on the account of the experiences harnessed during Member States consultations.

9.2 On the RPO Mandate and Objectives, it is proposed that the RPO mandate be:

• Providing monitoring and reporting services at the regional level on poverty trends and tracking progress made on implementing poverty reduction strategies;
• Ensuring coordination and implementation of the plan of action by relevant actors Ensuring multi-stakeholder participation in policy dialogue on poverty related policy issues;
• Disseminating relevant information to the public, thereby encouraging citizen buy-in;
• Reporting progress on contributions of the observatory towards mandate and objectives;
• Coordinating modus operandi with major international conventions, protocols, strategies, plans, programmes and tools;
• Selecting relevant themes per objective, interesting to both upstream and downstream users;
• Providing a prioritized set of indicators to measure status and trends pertinent to themes/objectives;
• Reporting on major cross cutting issues impacting directly or indirectly on SADC and of significant importance to data interpretation and influential on poverty analysis; and
• Facilitating knowledge exchange on good practices within the area of poverty eradication.
While the mandate of the RPO will be expected to cover all of the above, it may be advisable to commission studies and surveys at the initial phase until capacity is fully built. Data-gathering (collation) and analysis will strictly be undertaken at the national focal points to start with. Core aspects of the mandates such as networking, partnership, awareness raising and capacity building should be encouraged at both regional and national nodes.

9.3 **On the issue of location**, the various proposals centred on whether the observatory should be an integral part of the existing structures of SADC or be located independently however remain a SADC institution. A third possibility is to locate the RPO outside of the SADC Secretariat hosted by a Member State. Guided by the April 2008 Mauritius Declaration by SADC Heads of States, it is proposed that the SADC RPO be located within the SADC Secretariat in the Directorate of Policy Planning and Resource Mobilisation (PPRM). PPRM has the mandate to advise SADC in the formulation of regional policies and strategies through integrated planning, monitoring and evaluation, providing statistics and other such data/information needed in regional policy development, resource mobilisation and coordination of key stakeholders.

At the national level, there is need for a country node to link with the RPO. It is expected that the country node (or RPO focal point) is the function that is currently carrying out the monitoring and evaluation of national progress towards poverty reduction and MDGs. The choice of location of the PO country node will depend on existing practices. Most M & E units are currently located in the focal Ministry that coordinates poverty reduction activities. It is also recommended that PO country nodes work closely with the SADC National Committees.

9.4 **On the Structure and Governance**, the SADC RPO is conceptualised as an inclusive regional forum where government, civil society, business and International Cooperating Partners will work together to promote the economic and social development of the region. As such the following is proposed;

i) **A regional stakeholders forum** comprising all stakeholders is convened every two years to deliberate on trends on poverty and development in the region. It is proposed that this stakeholders forum be open to all development stakeholders in the region and focuses on deliberations at the technical level and their recommendations be submitted to a Steering Committee.

ii) **A Steering Committee** is proposed to provide direction with regard to the delivery of the poverty observatory. Its composition will include Member States, Non-State Actors made up of non-governmental organizations (NGOs), civil-society organizations (CSOs) and the private sector and research institutes. Development Partners are expected to play an advisory role. It is proposed that the Steering Committee meets at least once every year and reports to the Ministers responsible for poverty reduction initiatives. It is proposed that the Steering Committee be composed of one(1) Senior Official from each Member State; five(5) representatives from regional apex organisations; three(3) experts on poverty and development issues drawn from the SADC region and two(2)
institutional representatives of Development partners (advisory capacity). In total, the Steering Committee shall have twenty five (25) members.

It is recommended that the recommendations of the Steering Committee be submitted to Council of Ministers and Summit accordingly.

In countries were there are multi-stakeholder platforms on poverty related issues, the platforms can be adapted into a national level steering committee and in countries were they are not yet in place, it is recommended that the Steering Committee be replicated at the national level with the recommendations been submitted to the Minister through Senior Officials.

9.4 Figure 1: Structure and Governance of the RPO

9.5 On the operations of the RPO, it is proposed that the National nodes be responsible for gathering data and information in the national systems through the line ministries. The focal points submit to the RPO the mutually agreed minimum set of indicators forming the country’s national matrix for the purposes of the RPO. The RPO processes and converts the national matrices into a regional matrix and develops the results framework and the performance measurement framework. The RPO also issues periodic reports and policy briefs and shares knowledge with the all stakeholders.
It is proposed that the RPO have a staff complement of two (2) officers, a Senior Programme Officer who shall be responsible for coordinating the activities of the RPO and a Policy Analyst.

9.6 **On Coverage**, the RPO will be guided by the policy direction of the RISDP as it pertains to poverty reduction, the strategic interventions areas in the RPRF and the clusters in poverty-reduction strategies formulated by Member States. As much as possible, there is need to build upon existing structures at the national and regional levels. The principles of subsidiarity, selectivity and partnership- as well as the availability of data especially at country levels will guide the development of appropriate indicators for monitoring the thematic areas of regional initiatives towards poverty reduction. In addition the proposed selection of themes for coverage will be guided by the following considerations:

- Relevance to users;
- Relevance to observatory objectives in the monitoring frame;
- Interdependence and mutually reinforcing themes;
- Evolving potential towards sustainable development concerns.

Based on the above, the following thematic areas are selected for analysis and the development of indicators.

- Pro-poor macroeconomic framework
- Social and Human Development
- Agriculture and Food Security
- Infrastructure for Regional Development
- Governance and Accountability
- Cross-cutting Issues
  - Gender and Development
  - HIV/AIDS
  - Statistics
  - Private Sector Development

9.7 **RPO Outputs and dissemination:** The outputs of the RPO will include, among others, results of the poverty monitoring exercise, workshops with a variety of stakeholders, and participatory monitoring exercises. It is expected that such outputs will be disseminated through:

- An annual PRS progress report: this will provide a general analysis of the areas on which the observatory worked during the year assessing poverty and poverty-related trends in SADC and providing recommendations for policy action and research. These reports should be discussed at Summit level
- Other publications such as working papers, monographs and policy briefs which focus on special research findings that can help policy implementation.
- The Stakeholders Forum is proposed as a major platform for disseminating the RPO findings.
- Regular policy dialogues on specific key issues on poverty and development.
10. THE TECHNICAL FRAMEWORK OF THE RPO

10.1 The Technical architecture of the RPO refers to the framework and tools that are developed and proposed to establish the RPO and to track its performance for the expected results.

10.2 ‘Common SADC Poverty Matrix’ SADC needs to focus on selected, highly targeted and measurable indicators. It is recommended that SADC Member States agree from the onset on the data and information they need to generate and gather to enable adequate information on poverty trends in each Member State. The Member States of SADC need to agree on the definitive list of data to be submitted from each country. On the basis of this list, the RPO will draw up and distribute to Member States the ‘Common SADC Poverty Matrix’ that will be processed once every two years by all Member States. Delivery of information in the Poverty Matrix is to be achieved in electronic form and authenticated official copies will be sent to the RPO through the national PO node or focal point (FP) to be designated by each Member State.

10.3 The RPO Information Three Stop Scheme: For the RPO to take root good data are needed in all Member States and the embedding of credible systems of data exchange is crucial. The task of capacity building for and improvement of data collection is identified as an area of tri-lateral support and collaboration among SADC-RPO, the member states and partners for development. Consolidation and processing of data to be submitted to the RPO will be the responsibility of the Member States. At regional level, the RPO processes and converts the national matrices into a regional matrix. It also develops the results framework and performance-measurement framework proposed in this section. The RPO Secretariat also issues periodic reports and policy briefs and shares knowledge with the stakeholders in the region as well as with regional and global networks.

10.4 Figure 2 represents a description of the Three-Stop Scheme that is expected to deliver the results and products of the RPO. In Step A, data and information are gathered in the national systems such as districts and provinces through the line ministries and submitted to the country PO node for the RPO. Step B involves centralization of information and processing at the ministry housing the national PO node. Step C is the regional level processing of information at the RPO.

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1 Concerns have been raised on the feasibility of a standard SADC matrix, and the need to base this on an agreed list by member states (DRC report, December, 2009). If the three-stop scheme and the consultative process recommended below are carefully implemented, this fear will be allayed. For ease of comparability, such a standard matrix is desirable.
In submitting the required data countries should follow the Three-Stop Scheme and the ‘Common SADC Poverty Matrix’. In preparing the matrix, countries should be encouraged to deepen participation and accountability by forming National RPO Steering Committees that will work with the RPO Focal Point Office. At the RPO level, the Secretariat should be equipped to develop composite regional indicators from the Common SADC Poverty Matrices submitted, set SADC baselines, targets and track these performances on a regular basis, and establish a statistics databank of poverty monitoring in SADC.

11 GENERIC REQUIREMENTS TO MONITOR/EVALUATE LIVING CONDITIONS

11.1 Approaches to monitoring poverty currently vary in the way Member States design and implement poverty-alleviation strategies. While a list of follow-up indicators has been established in all countries, the numbers of indicators vary among countries. Some PRS have no specific targets and indicators as the MDG, for example, timelines for increasing employment, increasing income, or reducing the number of poor female-headed households. It would be important to take stock of information requirements as they relate directly to poverty reduction. Decision makers would need to define the type
of information they need for policy development and formulation. That is, certain information is essential for policy makers and it is important to determine how this information can be generated.

11.2 Experience in the region reveals that the increased poverty focus emphasises demonstrating annual and medium-term results within the context of PRSPs. This has led to an upsurge in participatory poverty assessments (PPAs) and household-survey work. This new emphasis is likely to result, over time, in significantly improved information about poverty profiles and trends that can be to the advantage of the proposed RPO. Significant challenges remain, however, with many monitoring systems still designed to meet donor data requirements despite weak capacities. The experience of many developing countries shows that a M&E system of living conditions should include five main components:

11.3 Component 1: Monitoring and analysis of trends in living conditions:
Tracking a limited but highly-focused number of priority indicators of the dimensions of living conditions, and standardise regional indices measuring them, and ideally disaggregating by gender, geographical area (region, county, municipality / rural community) and socio-economic group (poor / non poor); The accent will be principally on: Living Conditions; Vulnerability; Access to basic needs and Structural weakness limit participation of poor:

Under these themes, the RPO will generate SADC-level analyses that focus on:
• Identifying areas to focus interventions and budget allocations on the poorest groups;
• Understanding (exogenous and endogenous) reasons for changing trends in living conditions and poverty and in terms of gender;
• Following and understanding the dynamics of poverty over time, i.e. the flow of population between poor and non-poor;
• Monitoring the performance indicators at the level of priority actions of the RPO, or a subset of indicators of PVI.

11.4 Component 2: Monitoring country implementation of policies and programs that contribute to the improvement of living conditions.
The macroeconomic data for poverty reduction will be based on income measurements of poverty and should include gender disaggregated data. It will also assess government budget contributions to poverty reduction and how efficiently such funds are used including equity distribution. In this regard, it would be important to define the poverty datum line and determine the proportion of the population below the poverty line. Consideration should also be given to the primary sources of income for such households and examine the level of risk or vulnerability for such sources of income. Thereafter consideration needs to be given to the amounts of funds allocated by government from their respective budgets. These include: amounts allocated towards primary schools feeding or nutrition programs; child support grants; the value of subsidy for health services for the poor who may be entitled free medical care for women and children; the amounts of funds allocated to the department of health, welfare and education; amounts allocated to basic services such clean water, sanitation; amounts allocated to pensions and welfare payments; and amounts
allocated to gender equity programmes. It would be also important to examine job creation schemes through labour intensive public works programmes specifically targeted to household heads of poor communities.

11.5 Component 3: Evaluation of the impact of certain policies and programs on living conditions:
This is to assess whether pro-poor policies and programmes related to improvement of living standards/poverty reduction have had or will have an impact on them and to question if the RPO could be a platform and opportunity to set regional norms inducing member states to achieve more realistic and effective impacts on poverty.

11.6 Component 4: Communication/Advocacy around the RPO, aims to improve information dissemination by promoting dialogue and participation based on policies between the various stakeholders, and possibly contributing to better design and better implementation of public policies in member states. It is proposed that periodic policy briefs be issued by the RPO synthesizing the submissions of countries in order to create both a regional portrait of progress in the fight against poverty as well as country portraits that allow countries to mirror their progress against regional norms and initiatives.

11.7 Component 5, the System of Support to the RPO, aimed at establishing the physical, technical, institutional and human resource links geared to the supply and exchange of information from member states to the RPO and vice versa. The system should be conducive to uncluttered circulation of data, information and results between producers and users of information. It can take advantage of new technologies of information and communication technologies (ICT) facilities to provide cheap and reliable flows from the field to the RPO in information and communication.

Substantial information needs will be required in capturing living conditions. It is imperative to caution here that when systems are multidimensional, some general criteria should be identified for selecting appropriate indicators. The temptation will be to translate all chosen variables into indictors.

11.8 List of indicators

(1) Access to basic social services and level of satisfaction of basic needs: education, health and nutrition, drinking water, sanitation and the environment;

(2) Indicators of Poverty (status and profile of poverty, identification of vulnerable groups to enable them to guide actions to be taken in the context of the fight against poverty), that is:
- macro-economic information;
- information on employment;
- socio-economic and demographic data;
- information on housing and housing;
- Information needs on infrastructure; and
- Data related to access to micro-credit.
This information should be disaggregated as much as possible to reflect the diversity of living under different social groups (gender, employment, poverty status etc). The design of the RPO should be seen as an opportunity for Member States to update and improve data gathering on indicators needed to monitoring and tracking poverty. It should instead collect from member states a limited set of relevant data that permits regional tracking of poverty and potentials towards sustainable development, and to recommend targeted regional norms for all Member States to pursue. SADC member states will need to agree on the list to form the ‘Common SADC Poverty Matrix’.

11.9 A regional poverty observatory should provide policy makers with an assessment of the extent to which identified policy actions have a positive impact on targeted populations. This will be generated by the RPO is it adopts the Results-Based Framework which requires that all the links in the chain between policy and impact should in principle be determined and quantified. Monitoring must therefore be concerned with inputs, proximate (intermediate) outputs, outcomes and final impacts. In many instances with monitoring at the national level, budget or expenditure analysis provide information on the first step in this chain. In recent times, survey-based impact evaluations are also beginning to provide some useful indicators with the last step. What is often missing is the “middle”, that is, the need to specify more precisely how well-intentioned policies will deliver promised outcomes and impacts. Emphasis in recent analysis therefore tends to focus on generating intermediate output indicators which can predict longer term outcomes with some degree of reliability. These constitute the most important route for obtaining short-term feedback on the practical consequences of policy actions and hence the possibility of modifying those which are not on track. While this work has placed some level of importance on the first link in the chain, that is, identifying inputs and the link with intermediate outputs, the point of departure from earlier works has been the attempt to design a results-based monitoring framework that links intermediate outputs to outcomes. The key to a results-based framework is the ‘results chain’ that is designed to link inputs to impacts. The chain consists of a coherent framework with narrative summaries linking Inputs, Activities, Outputs, Outcomes and Impacts to be achieved.

12. **THE FINANCIAL ARCHITECTURE OF THE RPO**

12.1 The financial architecture of the RPO is designed and estimated for modest costs, with the widest regional reach. Funding examples of existing POs that were surveyed in the Background Paper and their funding approaches provide some insights for the RPO. In France and Germany, the respective governments exclusively fund the observatories. In Mozambique, key international donors such as the World Bank and the United Nations Development Programme (UNDP) appear to play a catalytic role in the establishment of the PO and in providing institutional support and funding. The observatory in Sri Lanka has established a development fund and works on commercial terms by offering fee-based research and advisory services, as well as...
obtaining sponsorship for research programmes and events. The model designed for RPO funding will combine the above approaches in a tri-lateral support akin to the three-stop scheme described for information gathering.

12.2 Four main categories of costing centres are envisaged as: a) establishing the RPO and its operations; b) costs at Member States level in processing information to be delivered to the RPO, and c) activities of the RPO and d) capacity building

*Category (a) establishing the RPO functions:* recruitment of staff, offices, equipment and furnishings, appropriate ICT for the RPO, staff costs,

*Category (b) RPO Activities:* meetings of the RPO Steering Committee, stakeholders meetings, RPO programmes and activities, documentation, publishing of reports including dissemination and periodic evaluation of the RPO.

*Category (c) Capacity Building:* this activity requires appropriate capacity as well as strong grounding in different techniques and methodologies. It is therefore recommended that capacity building at different levels should be a priority. The major focus of capacity building should be the following: technical at regional and national levels (gathering, processing, custodian of data and information); enhance policy research and analysis through training, seminars and workshops and collaboration with appropriate institutions such as universities and research institutes; and build capacity for Member states national poverty observatories through training of key actors at the national level

*Category (d) Costs at national level:* national focal points costs are to be borne by Member States and include operations of the focal point

12.3 Funding and/or co-financing of RPO activities by ICPs will play a critical role in its establishment. However from the onset, it is proposed that the RPO be part of programmes financed through Member States funding. This will allow ownership of the RPO by SADC. The RPO should therefore, be a budget line item in the SADC budget for funding by Member States.
### 12.4 THE PROPOSED BUDGET FOR 2010 to 2015

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**TOTAL EXPENDITURE FORECAST FOR SADC RPO 2010 - 2015**

3,974,700
13. CONCLUSION

Poverty observatories are a very crucial arrangement for monitoring poverty reduction activities especially across a given geographical expression such as a regional economic community as SADC. This activity 'requires effective institutional structure and appropriate capacity as well as strong grounding in different techniques and methodologies' (UNDP 2003a). The design of a PO given these responsibilities must take account therefore of adequate capacity not only in terms of technical expertise but also the equally important aspects of leadership, appropriate allocation of responsibilities and resources, and gender equality/inequality issues.