

This annual report outlines progress made in implementing the 2006/07 Action Plan for the National Strategy for Poverty Reduction (NSPR).

The report includes: (1) an assessment of the poverty focus of select NSPR programmes; (2) a review of the poverty M&E systems in government agencies; (3) the identification and assessment of pro-poor institutions; and (4) fostering knowledge sharing, advocacy and building consensus. The core chapters of the report focus on the first three activities.

The report starts with an overview of changes in living conditions using recent aggregate evidence of selected socio-economic indicators: income poverty and change, unemployment and wages, nutritional and health status, and educational attainments (Chapter 2). Where the available evidence permits, change in the well being of the income poor in particular is highlighted, consistent with the goal of the NSPR – improving the well being of the poor in all its dimensions.

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An important step towards poverty reduction is to undertake anti-poverty programmes that correctly respond to the needs and constraints of the poor, and that impact positively on their well being. Periodic programme evaluation is necessary to ensure and promote good design and operation. Any NSPR programme is hence subject to such evaluation, using consistent criteria.

Chapter 3 presents progress in implementing the programmes of the NSPR as reported by the implementing sectors. For purposes of consistency, the sector reports are categorised in three areas: (1) programme type and objective, (2) output indicator, target and achievement, and (3) self-assessment of progress towards poverty reduction (or lack of it). In addition, the chapter includes the main findings of the recently completed programme assessment and progress in implementing the new template-based outcome monitoring systems.

The Government calls for instituting comprehensive monitoring systems to track progress on poverty reduction in its different dimensions. Specifically, it calls on the MSCPR to report what effects its policies and programmes have had on the well being of the poor, and, more importantly, on the state of poverty in general.

To date, the Rural Development Coordination Division (RDCD) has completed a review of the M&E systems of five government agencies to find out if they are monitoring indicators for tracking the well being of the poor. These are the Ministries of Agriculture, Health and Education, the Department of Social Services in the



Ministry of Local Government, and the RDCD Food Security Unit. These agencies are at different stages of developing outcome M&E systems.

Chapter 4 highlights the key conclusions of the review of the M&E systems, presents the core welfare monitoring indicators and introduces the proposed action plan for implementing household survey-based poverty monitoring.

Implementing effective poverty reduction policy rests on the government agencies' organisation and institutional arrangements and practices that enable them to identify the poor and capture the needs of the poor correctly, to link the poor to the economic growth process (e.g. institutions providing access to credit to the poor, technology and transfer of knowledge, marketing services), to deliver social services to the poor, and to target the poor effectively in the provision of social assistance (e.g. destitute programme).

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Chapter 5 presents the findings from a recent assessment of the case studies of Community Based Organisations (CBOs) specialising in natural resource management (CBNRM). It explores the features of CBNRM as the institutional vehicle for poverty reduction, focusing on enterprise development and income growth (improving income level is a necessary condition for reducing poverty), benefit distribution (growth that is more distributive to the poor is highly desirable), and governance and management maturity.

The final Chapter 6 synthesises the report, draws relevant conclusions that have bearing on the future direction of the NSPR implementation, and sets the priority areas of implementation in 2007/08.