



THE DOMINICAN REPUBLIC'S POVERTY COMMITTEE EXPERIENCE

AN INCLUSIVE, PARTICIPATORY, AND TECHNICAL PROCESS THAT ACHIEVED RESULTS

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From 2000-10, the Dominican Republic sustained high levels of economic growth. However, without a standardized poverty measurement methodology, it was difficult to assess the effect of this growth on poverty. To address this, the government requested assistance from the World Bank which helped convene a technical, inter-institutional poverty committee that was highly participatory and transparent to define the country's new poverty measurement methodology. By including both domestic and international institutions on the committee, it got buy-in from high levels of government and the international community. It also helped decentralize knowledge about poverty measurement throughout the government and build capacity at local institutions to conduct and monitor poverty measurement in the future. The key lessons learned include early planning to ensure sustainability of the committee and new methodology, planning ahead to ensure that a technical team is available throughout the span of the project, and ensuring the process is driven by high-level government support.

The Dominican Republic has sustained strong economic growth over the past two decades, making it one of the fastest growing economies in the Latin America and the Caribbean (LCR) region. Between 2001-11, the economy grew annually by 5.3% on average, surpassing the growth rate of the region (3.4%). Income per capita growth also increased from 2000-10 by 45%, from US\$2,793 to US\$4,049.

Although the Dominican Republic sustained this rate of growth over time, assessing its impact on poverty trends was difficult due to the lack of an official poverty measurement methodology¹. A methodology is key for evidence-based policy making, as it helps identify the magnitude of poverty (i.e. how many people live below a certain poverty

threshold) along with the characteristics (i.e. who is poor, where they live, if they are a specific gender, ethnicity, etc.). Instead of using one consistent methodology to determine poverty estimates, the country was simultaneously following several poverty methodologies developed by different institutions including the Inter-American Development Bank (IBD), the United Nations Economic Commission for Latin America and the Caribbean (CEPAL) and the World Bank. This often resulted in poverty estimates that were not comparable, moved in opposite directions and painted different pictures of poverty in the country. Overall, key stakeholders and the public generally distrusted the poverty numbers which were perceived to lack credibility and believed to sometimes be influenced by political interests over policy objectives.

Several WB staff were instrumental in the success of this project including Omar Arias, Samuel Freije-Rodríguez, Maurizio Bussolo, Carolina Díaz-Bonilla, Jasmin Chakeri, Javier E. Báez, Sergio Olivieri, Miguel E. Sánchez and Ferdinando Regalia (IDB).

¹ Poverty measurement methodology categorizes who is considered poor or not by comparing their level of well-being to a monetary threshold of poverty.

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PROCESS AND OBJECTIVES

The government realized the limitations of following several different poverty methodologies and wanted a mechanism to create a poverty methodology and poverty estimates in line with international standards of quality, transparency and accountability. In 2009, they asked the World Bank for technical and financial assistance to help achieve this goal. Drawing from past experiences in the region, the World Bank suggested that the government convene an inter-institutional technical poverty committee to gather key domestic and international institutions to define the country's new poverty measurement methodology through a transparent and participatory process.

In convening the committee, both domestic and international institutions were included to ensure buy-in and ownership from the government while also providing a seal of approval from the international community. The World Bank was prepared to spearhead this effort given its convening power and success with previous poverty committees in Peru, Colombia, and Paraguay (Box 1). The funds for this project were granted through the Institutional Development Fund (IDF) which gives money to capacity building activities tied to the World Bank's policy and economic work.

The primary objectives laid out in the grant were to: (1) Establish a poverty committee as a forum for discussing poverty issues in the country; (2) Identify and provide technical inputs and analytical work for the development of a poverty measurement methodology to ensure comparability for poverty numbers between 2000-11 and poverty diagnostics (poverty profiles, micro-simulation analysis, etc.); and (3) Build technical capacity in domestic institutions working on poverty measurement, monitoring and analysis.

SETTING UP THE COMMITTEE

In order to achieve the first objective of convening the poverty committee in a transparent, productive, and collaborative way, the Ministry of Economy, Planning and Development (MEPyD) made an official request to the World Bank for assistance. This signaled a high-level political commitment to the poverty committee from the government. In order to assemble the most influential and collaborative committee possible, key domestic and international institutions working on poverty measurement were invited to join. In the domestic sphere, these institutions included the National Office of Statistics (ONE), Central Bank, MEPyD, Ministry of Labor, Vice Presidency (Cabinet of Coordination for Social Policies), and Ministry of Health. On the international side, participants were the World Bank, United Nations Development Programme (UNDP), and CEPAL which joined later in the process.

POVERTY COMMITTEE STRUCTURE

The structure of the poverty committee consisted of 3 tiers (Figure 1). At the highest level was a small group of high-level officials whose role was to endorse and legitimize recommendations coming from the poverty committee. Endorsement from this high-level group signaled country ownership and international buy-in for the results and ensured that the committee did not operate in isolation from the rest of government. The high-level officials included the Vice President (also Coordinator of the Cabinet of Social Policies), Minister of MEPyD, Governor of the Central Bank, Minister of Labor, Minister of Public Health, National Director of ONE, Resident Representative of UNDP, Country Manager from the World Bank, and Executive Secretary of CEPAL.

BOX 1. The World Bank previously supported a poverty committee model in Peru, Colombia, and Paraguay. In 2007, Peru requested technical assistance from the World Bank after significant changes to the 2005 household survey (instrument, data collection process, and delay in updating methodology) created comparability problems. This resulted in no poverty statistics between 2004-07. The World Bank proposed creating an external Advisory Committee to reach consensus on a methodology through an inter-institutional technical team. The committee was formalized by Presidential decree and successfully resolved the issues. In Paraguay, the 2006 household survey caused comparability problems due to budget cuts which affected field work, so poverty figures were not released. In 2008, the National Statistical Office requested assistance from the World Bank and a poverty committee was formed. The committee remained informal, but weathered the transition between political cycles and resolved the comparability issues. Lastly, changes to poverty measurement methodology in Colombia in the 2006 national survey created comparability problems, so no official poverty statistics were released from 2006-09. The National Planning Directorate requested assistance from the World Bank and a poverty committee was formalized through an inter-institutional agreement and the technical issues were resolved.

The second tier consisted of the core technical working group. This is where all topics and aspects of the poverty measurement methodology were presented and finalized. Additionally, this group defined the analytical agenda on poverty diagnostics that was carried out after the poverty methodology was finalized. This tier was comprised of technical experts from each representative institution and was jointly chaired by MEPyD and ONE.

The third tier was the technical and analytical team responsible for responding to committee demands for modeling different scenarios, providing technical inputs, and testing the results. Members included technical staff from ONE and MEPyD and four consultants (one international and three local), all experts on technical aspects of poverty measurement. At the onset, this group started as a separate tier, but was later incorporated into the second tier given their expertise and ability to give a technical perspective on committee discussions.

WORKING TOGETHER TO CREATE THE NEW METHODOLOGY

The second objective, identifying the new poverty measurement methodology, required that every input be validated during poverty committee discussions. The committee had to establish consensus on key elements such as constructing the welfare aggregate and its components², estimating the composition of a basic bundle of needs, and determining the monetary value of poverty lines³. The committee also discussed and validated a poverty series spanning the period 2000-11. They also agreed upon the analytical agenda that accompanied the development of the new methodology. Once there was final consensus on the methodology, domestic and international high-level officials signed off and therefore legitimized the process and results.

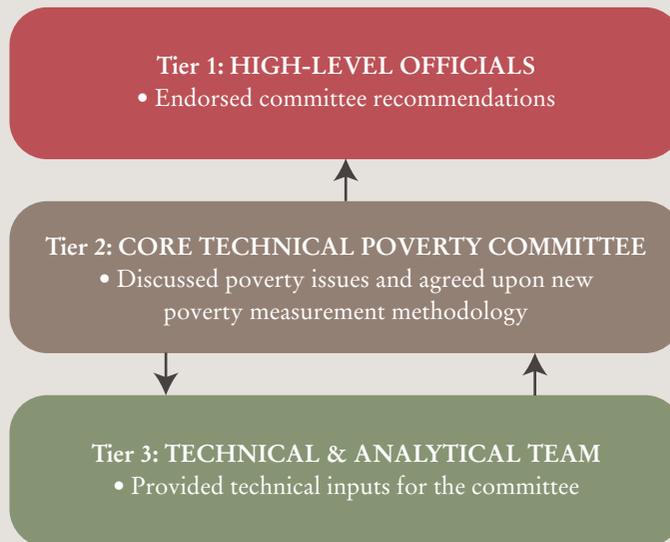
On July 30, 2012, the national methodology and poverty numbers for the period 2000-11 were officially launched at a large event chaired by the Minister of MEPyD and the Director of ONE at the National Palace of the Dominican Republic. Domestic media coverage was strong.

FACILITATING KNOWLEDGE EXCHANGE AND BUILDING CAPACITY

The final objective, building technical capacity and facilitating knowledge exchange, was achieved in several ways. First, by including national institutions that were previously not heavily involved in poverty measurement and diagnostics such as ONE, these institutions became more empowered and were brought into the process with an important and clear role.

2 The welfare aggregate sums up either the consumption or income of a household over a certain period of time to gauge its level of monetary well-being.
3 The poverty line is the monetary threshold below which individuals are considered poor. If the welfare aggregate is below the monetary poverty line, that household is considered poor.

FIGURE 1. Structure of the committee and responsibilities



Capacity building and knowledge dissemination efforts were also successful. A series of trainings for technical teams were carried out at various points of the process and included representatives from institutions on the poverty committee and other academics and NGOs from the larger community. Training topics included statistical analysis software, technical aspects of the new methodology, details on monetary poverty measurement and analysis, micro-simulations and macro-modeling, and poverty profiles and multidimensional poverty.

KEY LESSONS LEARNED

It is important to note that although this process had a successful outcome, but it really only marks the beginning in terms of implementing and monitoring the new methodology.

There are several major lessons to share from this process in the Dominican Republic that should be considered for similar initiatives in the future:

(1) Plan for sustainability early on. The need for sustainability permeates many aspects of a committee's work. First, it is important to plan for the long term existence of the poverty committee as a space where experts can come together to discuss the intricacies of poverty measurement. Ideally, a government would consider institutionalizing the poverty committee at an early stage to formally ensure it will continue past the scope of the project. However, none of the poverty committees highlighted in Box 1 were institutionalized at the onset. Colombia and Peru were later institutionalized by the government once they fully appreci-

ated the technical nature and relevance of the committee's work. In the Dominican Republic, the poverty committee has not yet been institutionalized and would have profited from this action earlier in the process rather than trying to achieve it retroactively. On a hopeful note, discussions with the government regarding preparation of a law or decree to formally institutionalize the Committee are underway.

Likewise, a sustainability plan should be implemented early on to ensure proper and comprehensive documentation of the methodology. Better documentation ensures the sustainability of the committee's results over time while building capacity at national institutions. The data should also be made publically available. In the Dominican Republic, knowledge management was more of an afterthought and better efforts could have been made during the process to improve documentation systems in local institutions. It is easier to catalog the result and process during the scope of implementation versus trying to go back after the fact and retrace your steps.

(2) Use poverty committee as a tool to decentralize knowledge. Including a range of institutions on the committee decentralizes knowledge and enables more institutions to contribute, not only to the poverty measurement methodology identification process, but also to the application and monitoring of the new methodology. This helps ensure that poverty numbers can be replicated and monitored over the long term outside of government as well as within.

A flexible poverty committee structure can help efficiency. In the Dominican Republic, there were some institutions that only took part when there was a relevant topic for their expertise (like the Ministry of Health to provide caloric requirement recommendations) and some joined the committee at a later stage (CEPAL). Notably absent on the committee were academics which would have offered a useful domestic perspective external to government. Regardless of the number of institutions involved, the committee must retain a technical focus at all costs.

(3) This process takes time. Including many organizations on the committee enhances the quality of results, but achieving consensus on numerous technical components can take a long time. Participants often cannot commit large and consistent amounts of time to this process, so meetings might be held only once every few months, thus further drawing it out. Sometimes the committee also cannot move forward without key technical work which can take months to produce.

In this experience, the entire process from organizing the committee to launching the new methodology took two years. However, the groundwork leading up to the creation of the poverty committee began in 2005 when the World Bank and IDB worked jointly on a Poverty Assessment. Both organizations lobbied for a new poverty measurement methodology then, but it was a tough political context given a recent change in the government. The World Bank and IDB partnered again for a 2007 NLTA on capacity building for poverty measurement. Under the NLTA, a workshop brought together a range of actors to learn about poverty measurement. The participants left with STATA do-files and microdata to experiment with the numbers and work through different assumptions. As a result, MEPyD began producing poverty numbers according to the World Bank methodology, but they were simultaneously publishing numbers using methodology from CEPAL and others, resulting in different estimates. This set the stage for the 2009 NLTA which established the poverty committee to determine a single official methodology for all to adhere to.

(4) A lot of technical work is required. Determining poverty methodology requires large amounts of technical work and inputs over a long period of time. The poverty committee needs a plan at the onset to ensure that highly skilled experts are available throughout the scope of the project to conduct the technical work. In the Dominican Republic, this was a challenge since the production of technical inputs took almost 18 months to complete.

(5) Political support at the highest levels of government is critical. If the country does not take ownership of the process and lead, the committee will not be sustainable in the long run and its results will not be widely adopted. In the Dominican Republic, MEPyD asked the World Bank for help, but other key domestic institutions working on poverty measurement and data joined the process and were willing to work together with international experts to produce a solid product. This was a collaborative process where the committee's outputs were endorsed by high-level officials which created country ownership, improved transparency and prevented political manipulation. This committee was the outcome of building political support and broad consensus across multiple stakeholders over many years. Success is not always immediate, but it is important to have patience and keep the effort and process moving forward as much as possible.

