

Taking Action for the World's Poor and Hungry People

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SPEAKER SUMMARY NOTE

Session: Improving Governance and Reaching the Poor and Hungry during and after Emergencies and Crises

Speaker: *Werner Kiene, Member, Inspection Panel, World Bank, USA*

Title: How to Overcome "Governance" Constraints for the Effective Implementation of Programs

"Governance" promises to become the "missing link" in turning development ideas into reality. My task is to find out how we can accelerate our work in this area.

In my brief presentation I want to

First, speculate on some of the constraints that seem to slow down a more vigorous adoption of "governance activities".

Secondly, I want to elaborate on the need to routinely integrate "Governance activities" into the day-to-day operations of anti-poverty programs.

And thirdly, since such "mainstreaming" of Governance will cost money, I want to provide a rationale for funding it.

OBSTACLES TO A MORE RAPID ADOPTION OF GOVERNANCE ACTIVITIES IN ANTI-POVERTY PROGRAMS

Obstacle # 1: The concept of "Governance" is often misunderstood

Many are reluctant to deal with the concept of "Governance". One reason is that they think that "Governance" deals only with corruption. Corruption certainly is an important governance issue, but it is not necessarily the central issue when we think about the reduction of poverty and hunger. The brief that Regina Birner prepared shows that Governance is much broader than the fight against corruption and that a "one-solution-fits all" approach is not justified and would not work.

Obstacle # 2: We do not have enough empirical evidence

Although more and more is written about "Governance" there is still a shortage of concrete evidence. And lessons learned to give practitioners sufficient comfort to incorporate Governance components into their standard tool bag are just beginning to emerge. This is particularly crucial when one thinks of combining governance instruments or is forced to make trade-offs among the available instruments.

More experiments, more observation, more research is needed. I am not advocating "paralysis through analysis", but I believe, that a two-track approach is needed: On one hand there is a need for more research and on the other there is a need for becoming much more daring to start Governance activities even as we lack detailed knowledge.

Obstacle # 3: We are waiting for a perfect world

Regina Birner pointed out that there is a "long road" and a "short road to better Governance.

"Long-road" solutions involve broad political agendas of fair elections, representation, and improvements in the rule of law, etc. They are certainly very important in the overall improvement of "Governance" conditions and even in the medium run, these broader Governance concerns must be dealt with.

However, there is a pressing need for **helping the poor of today to be less poor tomorrow. Therefore, we must more vigorously explore "short road" instruments while the "long-road" solutions work themselves out.** These "short road" approaches are really the **cutting edge** of getting governance into the reality of the poor.

As was summarized by Regina Birner, these "short road" approaches focus on strengthening the citizens' capacity to demand better Governance and I do not need to elaborate them here again.

Obstacle # 4: We often fail to realize that "Governance" for poverty reduction means securing the investments in the poor and hungry

For most of the poor, "Governance" simply means to actually get access to the services and goods that they are being promised by projects, programs and policies. **Hence, since our development theories and empirical analyses tell us that it is a good investment to provide services and goods, like education, extension advise, health, better seeds, better school meals to the poor and to their children, there is a need to ensure that these investments indeed reach those for whom they are intended, namely the poor.**

Obstacle # 5: We underestimate the need for "independent "recourse mechanisms"

Some question whether all this talk about strengthening the demand for governance will really work.

They ask "What good is it to have citizens that know how to put pressure on an ineffective health services provider, if their complaints are not listened too? There is some validity to these concerns. Wall postings, demonstrations, press reports and shaming the politicians go only so far. What is missing in many of the current models is an "independent" body that can deal with a complaint outside the regular hierarchical or political channels and provide facts to higher-level decision making bodies that have the power to bring about corrections and improvements.

A good example of such a recourse mechanism is the World Bank's Inspection Panel of which I am currently the Chairman. Its goal is to enhance the transparency with which the Bank delivers its outputs (for instance an irrigation system or a new approach to forest management) and to ensure that such outputs are made available within the confines of the World Bank policies and procedures. Through the Inspection Panel, citizens (either individuals or communities) who have a complaint about the nature of the delivery of a Bank "product" can reach the Bank's Executive Board in an easy and direct way and be assured that their concern will be dealt with.

What is of greatest relevance to the present discussion is the fact that the World Bank's Executive Board provides a **budget** for the Inspection Panel but does **not**

interfere in its work and that the Inspection Panel is completely independent of the Bank's Management.

I am not saying that the model of the World Bank Inspection Panel is the only model to consider, but I believe there is a need to think more constructively about independent recourse mechanisms as part of the Governance concerns of Poverty and Hunger reduction programs.

PROPOSALS FOR ACTION

Proposal # 1: Continue with experimentation and empirical analysis

Proposal # 2: Make Governance an integral part of Poverty & Hunger eradication programs

- We see an increasing number of "Demand for Good Governance" experiments
- We also see some projects that have 'ad-on' Governance components.
- **What we do not yet see, is a willingness to integrate Governance into the program design of regular poverty reduction programs and fund these activities with regular core program budgets.**

Seen from the perspective of the poor and their need to get secured access to program services and goods, I believe that future poverty reduction programs need to include the funding for at least two "Governance components":

1. Funding for support for enhancing the organizational capacity of the poor to monitor accountability, transparency and the delivery of services, and
2. Funding for the establishment of independent recourse mechanisms or similar structures.

Proposal # 3: We need a new "metric": Costs per service made available are not very relevant. Our yardstick should be the costs for services that are actually received.

If we accept that Governance structures and mechanisms are needed, then it is essential that programs build the costs for necessary "Governance" activities into their regular budgets. This might increase the total cost of a program, but since more of the benefit will reach the intended beneficiaries, it will lower the average cost of benefits **actually received.**

WHAT COULD A MORE CONSEQUENTIAL APPROACH TO "GOVERNANCE" MEAN FOR THE OUTCOME OF THIS CONFERENCE?

I am sure that in the course of this conference, we have gotten many good ideas and proposals for action. My vision is that when we think of a policy, a program or a project to deal with hunger and poverty, we **immediately think of integrating** governance into our concept and **fund** an appropriate governance structures to ensure that the fruits promised by a particular proposal becomes a reality for the poor for whom our actions are intended.