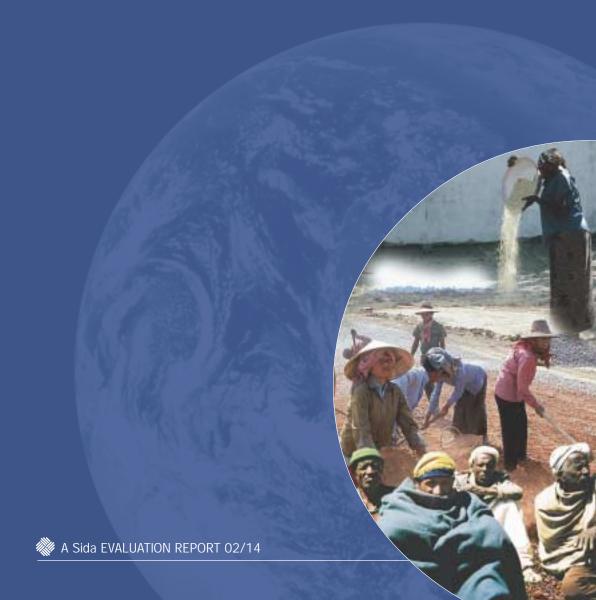# Area Development Projects, Poverty Reduction, and the New Architecture of Aid

Volume I: Synthesis Report

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The views and interpretations expressed in this report are the authors' and do not necessarily reflect those of the Swedish International Development Cooperation Agency, Sida.

Preface

This is a study of area development projects in a perspective of poverty reduction, sustainability and learning. Examining three major area development projects supported by Sida, it seeks to find out how some of the long-standing problems of the area development approach, notably those of targeting, project integration and learning, have been solved in more recent projects. Formative in purpose, it also tries to identify how area development projects might be retooled to fulfil their mandates more successfully, and to exert stronger influence in an emerging system of aid built around national poverty reduction strategies and programme support. The projects selected for study were CARERE/Seila (Cambodia), EEOA (Zambia) and ANRS/SARDP (Ethiopia).

The study found strengths and weaknesses in all the three projects. The EEOA had developed a pioneering model for facilitation of entrepreneurship among small farmers, CARERE/Seila is described as a major attempt to build a system of decentralised participatory planning, and ANRS/SARDP is also said to contain promising elements of participation. A shared weakness was that the expected contribution to poverty reduction had not been well conceptualised. The poor were seen mainly as producers, with little attention to their roles as labourers or consumers. There were few indications of how project benefits were to spread among different categories of the poor, including the destitute. There were also common problems with regard to project integration and learning. According to the evaluators, area development projects have their main potential as pilots for model building and innovation in partner countries. In none of the projects under review, however, had this potential been fully exploited. Monitoring and evaluation was a third notable problem area. The study concludes with a number of lessons learned and recommendations for action.

The study was designed by Sida's Department for Evaluation and Internal Audit (UTV) in close collaboration with the Department for Natural Resources and the Environment (NATUR) and the evaluation team led by the Overseas Development Institute (ODI). Stakeholders in the project countries and in Sweden gave their comments on successive draft reports. Unfortunately, the comments from the Ethiopian provincial authorities responsible for ANRS/SARDP came too late to be taken into consideration.

The study is published in two volumes, one containing the synthesis report, the other the three project case studies.

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Acronyms

ADB	African Development Bank
ADP	Area Development Project
ACSI	Amhara Credit and Savings Institution
AIDS	Acquired Immuno-Deficiency Syndrome
ANRS	Amhara National Regional State
ANTHRA	An organisation of women veterinary scientists
ASIP	Agricultural Sector Investment Programme
BoFED	Bureau of Finance and Economic Development (Ethiopia)
CAPE	Centre for Aid and Public Expenditure
CARERE/Seila[1]	Cambodia Resettlement and Reintegration Programme
CBO	Community Based Organisation
CCOF	Co-ordination Framework for Rural Producer Organisations (Appendix 3)
CDC	Commune Development Committee (Cambodia)
CDF	Comprehensive Development Framework
CGIAR	Consultative Group on International Agricultural Research
DAC	Development Assistance Committee (of the OECD)
DANAGRO	Danish Consulting Company
DFID	Department for International Development (UK)
DGIS	Netherlands Department for International Development
EEOA	Economic Expansion in Outlying Areas (Zambia)
GDP	Gross Domestic Product
HIPC	Highly Indebted Poor Countries
HIV	Human Immuno-deficiency Virus
IFAD	International Fund for Agricultural Development
IFI	International Financial Institutions
IIED	International Institute for Environment and Development
IMF	International Monetary Fund
IRDP	Integrated Rural Development Programme
LDF	Local Development Fund (Cambodia)
MAC	Ministry of Agriculture and Cooperatives (Zambia)
MAFF	Ministry of Agriculture, Food and Fisheries

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[1] Seila is a Khmer word meaning 'foundation stone'

MBT	Micro Bankers Trust (Zambia)
MMD	Movement for Multiparty Democracy (Zambia)
NATUR	Sida's Natural Resources Department
NEPAD	New Partnership for Economic Development
NGO	Non-Governmental Organisation
NR	Natural Resources
NRM	Natural Resource Management
NSSD	National Strategies for Sustainable Development
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
ORGUT	Swedish Consulting Company
PAG	Permanent Advisory Group
PCC	Programme Coordination Committee (Ethiopia)
PCU	Programme Coordination Unit (Ethiopia)
PIP	Policies, Institutions and Processes
PLG	Partnership for Local Governance (Cambodia)
PRSP	Poverty Reduction Strategy Paper
RBA	Rights-Based Approach
REEF	Rural Economic Expansion Facility
REPSI	Resources Policy Support Initiative
RILG	Rural Infrastructure and Local Government
RNFE	Rural Non-Farm Economy
RRV	Swedish National Audit Office
SARDP	Sida Amhara Rural Development Programme
SEDP	Socio-Economic Development Plan (Cambodia)
SL	Sustainable Livelihoods
STF	Seila Task Force
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
UNTAC	United Nations Transitional Authority in Cambodia
UTV	Sida's Evaluation and Internal Audit Department
VDC	Village Development Committee (Cambodia)
WDCC	Woreda Development Coordination Committee (Ethiopia)
WDF	Woreda Development Fund (Ethiopia)
WDR	World Development Report

Executive Summary and Recommendations

The purpose of this study was to *identify how Sida's Area Development Projects (ADPs) might be retooled to fulfil existing mandates more successfully, and at the same time to exert stronger influence over new poverty-focused resource allocation processes* (Sections 1.1; 1.2). The three projects studied were CARERE/Seila (Cambodia); EEOA (Zambia) and ANRS/SARDP (Ethiopia) (2.1; 2.2).

The Terms of Reference specified that this should be a formative evaluation, and should examine the evidence against the concepts and principles consistently underpinning Swedish development cooperation over a number of years. The main elements of these are:

- that poverty is multidimensional, so that income should not be considered in isolation from "voice", citizenship and security

- that, following a parliamentary resolution, from 1996 equality between men and women should be an official objective of Swedish development cooperation

- that poverty can be reduced by strengthening opportunities, security and capabilities (as detailed in the 1996/7 paper "Rights of the Poor").

At the levels of design and implementation of specific development cooperation initiatives, there is a conviction that these concepts and principles would best be supported by specific attention to four criteria, namely *learning* (including "piloting" or model development), *capacity building* (at both individual and institutional levels), *integration* (both to break down barriers across sub-sectors and to "mainstream" new practices developed by the ADP into government processes and structures) and *sustainability*, whether environmental, economic or institutional. ADPs represent a particular framework for the design and implementation of development cooperation initiatives, and so considerable attention is given in this report to the ways in which they incorporated these four criteria.

The consultants proposed that, given the forward-looking dynamic of the study, the question should be addressed of how far existing projects would have to be retooled if they were to be consistent with newly-emerging approaches towards poverty such as Sustainable Livelihoods and Rights-Based Approaches. They also suggested that Poverty Reduc-

tion Strategy Papers (PRSPs) should be taken as a common example, across the three projects reviewed, of poverty-focused resource allocation processes, and that the question should be asked as to how and how far ADPs might usefully inform PRSPs and the "new architecture of aid" being generated in support of PRSPs.

In overall terms, and despite somewhat uneven performances across the projects, ADPs provide a valuable "hands-on" basis for learning lessons about what works well in practice, in terms of, for instance, approaches to inclusion of the poor in decisions affecting their livelihoods, approaches to investment planning and service delivery, and approaches to monitoring these. They also generate approaches to poverty reduction which have some prospect of being scaled up by government. However, much of this potential remains underexploited. This is partly because lack of baseline data has prevented systematic assessments of performance in some of these respects, and so some reluctance on the part of project staff to try to "persuade" others of the validity of approaches being tried, but is partly also the result of inadequate forging of links between the projects on the one hand, and relevant parts of government and new initiatives (such as PRSPs) on the other. Recommendations are made below on how these opportunities might be more fully exploited in future

- not to exploit them would be all the more unfortunate, since donors associated with "hands-on" approaches such as ADPs have a high degree of credibility with governments, making it likely that their advice on a range of issues would gain a sympathetic hearing.

With some exceptions, there were gaps between the concepts and principles underpinning Swedish development cooperation and their implementation in the ground reality of ADPs (3.1; 3.2):

- There was a reasonably good grasp of the multidimensionality of poverty, with strong emphasis on voice and citizenship as well as income, but very limited attention to vulnerability and insecurity;

- With the exception of EEOA (and partially of CARERE/Seila) gender mainstreaming was weak;

- There were few systematic indications of how poverty would be addressed through Sida's own priority dimensions of enhanced capabilities, security and opportunities;

- The respective roles of state and private sectors were only vaguely defined; project efforts to enable the private sector were strong in EEOA and CARERE/Seila, but weak in ANRS/SARDP;

- The poor were seen mainly as producers, with little attention to their roles as labourers or consumers;

- There were few indications of how benefits were to spread among different categories of the poor, including the (near-) destitute.

These findings suggest clear implications for project design and training, on which recommendations are made below.

If ADPs were to be retooled to be more consistent with newly-emerging approaches towards poverty reduction such as *Sustainable Livelihoods and Rights-Based Approaches* they would have to incorporate clearer and increased emphasis on (3.1):

- The assets on which the poor draw in order to generate livelihoods;

- The dynamic nature of livelihood portfolios;

- The influence of vulnerability and insecurity in influencing their livelihood strategies;

- The importance of access to assets and entitlements;

- Questions of how far the poor can assert their rights; how far the state is prepared to respect these;

- Questions of who or what prevents the poor from accessing assets or entitlements, or from asserting their rights, and so:

- The importance of understanding power relations.

Arrangements for *learning* and *capacity building* in the ADPs varied in scope and depth (4.1). *Within-project* learning was systematic and thorough in EEOA; moderately so in CARERE/Seila and less so in ANRS/SARDP. *Across-project* learning was weak in all cases. *Learning among partners* was strong in CARERE/Seila but weaker elsewhere. Different kinds of knowledge were brought together successfully in support of learning within project management in CARERE/Seila, but less so in EEOA, and proved problematic because of fixed ideas among government in ANRS/SARDP. Learning is impeded because of pressures to spend, and pressures from host governments to see evidence of outputs on the ground. The project response to these is generally to increase attention to investment and service delivery activities at the expense of learning. In general, learning within Sida is problematic, given high rates of staff turnover, especially in headquarters.

Integration of the lessons from projects into government structures and processes varied in character (4.2). Government "ownership" of the project was strong in CARERE/Seila, with the government of Cambodia having committed to introduce the approach to all other provinces; in the EEOA it was weak, with overoptimistic expectations concerning wider uptake, but strong lessons in relation to private sector development; in ANRS/SARDP it was strong but problematic, given the rigid views of

government on development matters. There are strong arguments for moving to new modes of partnership, which will broaden to embrace civil society and the business sector. Partnerships with government need to move from old bilateral ties (as in Ethiopia) towards new approaches shared among many donors which embrace global concerns including poverty reduction, rights and trade relations. Cambodia undoubtedly represents the best example of this approach. Efforts to "spread the models" require clearer knowledge of what can and cannot be changed in government procedures, norms etc, clearer focus by the ADPs on experimenting with those elements that can be changed, and avoidance of models that are too complex or expensive for government to adopt.

In terms of enhancing the conditions for *private sector* enterprise to flourish, EEOA had developed a coherent approach, whereas this was exceptionally weak in the ANRS/SARDP case. In all cases, there was scope for encouraging more competition and for drawing the attention of the state to the changes made (4.3). The goals and assumptions of neither EEOA nor ANRS/SARDP reflected a realistic appreciation of underlying government attitudes to the private sector. There is much scope for Sida to engage with governments to close the gap between policy statements on the private sector, and the implementation of these.

Awareness of the need for *sustainability* was generally high, but various problems were encountered in practice (4.5). The prospects for *institutional* sustainability appeared high in CARERE/Seila and ANRS/SARDP, but less so in EEOA. In all cases, there was scope for greater clarity over Sida exit strategies. *Environmental* sustainability was problematic in ANRS/SARDP largely because of inappropriate technologies, and in CARERE/Seila because of the problems of regulating private enterprise, but relatively unproblematic in EEOA. *Economic* sustainability was questionable, especially in ANRS/SARDP. There are strong arguments for conventional concepts of sustainability to be supplemented by newer ones driven by "capabilities analysis" of the type advocated by Sen.

New procedures for *pro-poor resource allocation such as PRSPs* exhibit a number of weaknesses, and ADPs *as they are currently designed and operated* have the potential to contribute valuable experience in some of these areas, but in reality have scarcely done so. Such areas would include (4.4) lessons on:

- Which processes work well at local level, in relation to e.g. voice, service delivery and the prioritisation of investments;

- How to draw in the services of different sectoral departments to meet poverty reduction needs;

- How to enhance local capacity.

Some improvement in ADP design (see below) would also allow them to contribute lessons on:

- How to disaggregate the poor;

- How to address vulnerability, risk and uncertainty;

- How to combine growth-focused with social protection measures;

- How to strengthen monitoring and course-correction;

- How to mainstream cross-cutting themes (e.g. gender and environment);

- How to create a learning environment.

Existing ADPs can be retooled without much difficulty to strengthen their performance both in relation to existing mandates and in relation to possible influence on PRSPs and other central poverty-focused processes, (5.1–5.3). In particular, their conceptualisation of poverty needs to be improved, as does their segmentation of the poor into appropriate sub-groups, and their efforts to trace how benefits flow among sub-groups. There is also scope for stronger mainstreaming of cross-cutting issues such as gender and environment, and clearer identification of public and private roles. In addition, more explicit efforts could be made to combine growth with social protection measures; to ensure that the models being developed are affordable by government and the private sector; and to improve prioritisation and sequencing so as to reduce the possibility of "élite capture". There is a particular need to analyse power relations more explicitly. Finally, ways need to be found of improving the dissemination of project results and of linking in with national and province-level decision-making. At a practical project management level, some addition to rigour could be achieved by adding to project documents a clear summary of the underlying project logic and its conceptual basis.

The above features should be incorporated into the *next generation of ADPs*, but in addition it is important (5.4) for the next generation to be based on much stronger project proposals, supported by some cost-benefit analysis, improved conceptualisation, better segmentation of the poor, and clearer objectives. They also need to be based on more comprehensive and rigorous baseline data sets, with much of the Monitoring and Evaluation (M&E) system worked out in advance and included in the Project Document. Careful pre-studies in the selected locations, and a careful assessment of likely future realities can help in many of the above respects. They can also provide opportunity for minorities to express the kinds of development trajectories that they prefer. The next generation of ADPs should be based on careful but determined negotiation with government that obtains the kinds of assurance necessary for the project to succeed

within its own boundaries, but also to be of value in wider poverty-focused decision processes. In respect of the latter, agreement would be needed on the channels by which lessons from the project can feed into higher-level processes such as PRSPs, on changes to be made in enabling/regulating frameworks in respect of the private sector, on provisions for decentralised decision-taking, on provisions for the voice of local people to be heard, and so on. In all cases, the reality of such provisions will have to be checked against the rhetoric as the project progresses.

Recommendations to Sida

Recommendation #1

Staff at Sida Headquarters, country and project levels (including consultants and key staff of host country partner institutions) need to be given thorough training at recruitment, and refreshers thereafter, on current concepts used by Sida in relation to poverty reduction, and on broader economic concepts such as public goods, market failure and the role of the state (3.1; 3.2; 5.5). This training should be expanded to provide basic orientation towards new approaches to the conceptualisation and reduction of poverty, including *Sustainable Livelihood* and *Rights-Based Approaches*. Sida should devise ways of ensuring continuity of learning within an environment characterised by high turnover of its own staff.

Recommendation #2

Although ADPs already have much to offer, there are a large number of detailed ways in which the performance of existing and new ADPs can be enhanced in respect of poverty-reduction, lesson-learning and integration with both government and the new architecture of aid. These are set out in Section 5 and should be given serious consideration by Sida. The fact that only the more urgent of these can be highlighted in these recommendations should not distract attention from the importance of considering them in their entirety (5.1; 5.2; 5.3; 5.4). ADPs should be prepared or reformulated in such a way as to reflect the issues underpinning *Sustainable Livelihoods* and *Rights-Based Approaches*, including more thorough treatment than hitherto of access to assets, vulnerability, the dynamic nature of livelihood portfolios, power relations, and how the poor are to be supported in claiming their rights (and government in responding to them).

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Recommendation #3

Much of the potential of ADPs for influencing policy is undermined by the fact that baseline surveys and subsequent monitoring and evaluation

are too weak to generate rigorous performance assessments. Sida should give serious consideration to strengthening these (4.4).

Recommendation #4

New ADPs and further phases of existing ADPs should be required, at the preparation stage, to undertake adequate segmentation of the poor within intended project areas, and indicate how project outcomes are expected to benefit the various categories (3.1; 3.2).

Recommendation #5

All ADPs should, as a primary part of their mandate, be required to "pilot test" models and approaches for local level poverty reduction and to engage public (and, where appropriate, private) sector staff at all levels in learning and capacity building in relation to these. To prevent model development and learning functions from being squeezed out by other activities, a proportion of project funds (approximately 1%) should be set aside specifically for documenting experience in learning and capacity building, and this activity should be specified in project logframes. This will encourage project managers to ensure that there is relevant experience to document here (4.1).

Recommendation #6

To help in locating ADPs within the changing architecture of aid, a major review of Sida's position on "partnership" and "ownership" should be commissioned. Particular attention should be paid to identifying how Sida staff at country and higher levels can (along with other donors) more effectively engage with partner countries to support them in achieving poverty reduction and realising basic human rights (4.2; 5.2).

Recommendation #7

Sida should require that new phases of existing ADPs, and all new ADPs should specify at the preparation stage (with frequent updates thereafter) through what routes the models and approaches developed by ADPs will be adapted or replicated more widely by government and/or the private sector, and will influence higher-level processes of policy making and policy implementation in relation to poverty reduction.

Recommendation #8

Sida should broaden its definition of sustainability to include a component based on capabilities, and ensure that this is incorporated into project design, monitoring and training (4.4).

Recommendation #9

Sida should press for greater clarity in further phases of existing ADPs and in new ADPs on ways of working with the private sector. This could be done, for instance, by requiring questions of learning, capacity building and integration in relation to the private sector to be addressed at project preparation stage, and by ensuring that training programmes give adequate consideration to the private sector in relation to poverty reduction (4.3).

Recommendation #10

Sida should ensure that, in future, appropriate exit strategies are designed during project preparation and reassessed during periodic project reviews (4.5).

Recommendation #11

New ADPs and further phases of existing ADPs should be required to indicate at the preparation stage how they will seek to inform national level processes for addressing poverty such as PRSPs (4.4; 5.2).

Chapter 1
Introduction

1.1 Background and objectives

Sida requested the Overseas Development Institute (ODI) and partners to carry out a study of Sustainable Poverty Reduction through Area Development Projects, focusing on Sida-supported projects in Ethiopia, Zambia and Cambodia. The Terms of Reference (Appendix 1) required that this study be structured along the major dimensions of poverty focus, sustainability, integration, learning, and capacity/model building versus service delivery. In broad terms, the overall objective of the study is to learn both from the current generation of area-based projects, and from wider principles and experience, how the next generation might best be designed to address poverty reduction objectives within a rapidly changing context. In order to bring out the implications of these "changes in context", the consultants proposed in their Inception Report a number of additional dimensions of analysis, which were accepted by Sida. The consultants suggested, for instance, that such changes may variously be attributed to international forces such as globalisation, but also to the transformation of perceptions of poverty (which now place more emphasis on its multidimensionality), of public and private roles, and of how the architecture of aid might in future evolve (for instance, towards donor co-ordination in support of Poverty Reduction Strategy Papers among the Highly Indebted Poor Countries (HIPC) countries, and towards budgetary support). On this last point, a shift towards budgetary support means that demands on projects may be twofold in future. On the one hand, they will have to play the traditional roles of reducing poverty within their demarcated areas, in ways which lend themselves to sustainability, learning, capacity building and integration. In addition, these projects may increasingly be called upon to illustrate the opportunities that governments may have to address poverty more fully if they adapt their policies and procedures in the ways generally urged by proponents of budgetary support. This will involve making clear what obstacles they are likely to face, and how these might be overcome. As such, the goals of sustainability, learning and capacity building can be achieved in a broader sense through greater integration at levels above the geographically demarcated project area.

A first assessment of the projects was made against concepts of poverty current at the time of their formulation. Sida's concept of poverty was already at the time ahead of that of many other development cooperation agencies, stressing as it did the multidimensionality of poverty – particularly that income perceptions of poverty needed to be supplemented by concepts of, for instance, voice and citizenship. A further assessment of the projects was made against more recent concepts of poverty, such as Sustainable Livelihoods and *Rights-Based Approaches*. The former stress the importance of access to assets and the vulnerability context in which the poor seek to pursue livelihood options. The latter stress that citizens, including the poor, should be able to identify and press for a broad range of rights (civil and political as well as economic, cultural and social) and that governments should acknowledge and protect these (see Appendices 2–4). At first sight, such an assessment might appear rather unfair on the projects, since they were designed before these approaches became broadly anchored in the development discourse. However, the intention was not primarily to assess their performance against these newer concepts, but was, rather, a forward-looking one. In other words, the intention was to respond to two questions:

- First: If the approaches and models being developed by these large projects are to become more relevant to governments and international agencies who are currently exploring these new concepts of poverty, how and how far will they need to be retooled in order to address the main concerns thrown up by these new concepts, or, indeed, are they largely doing so already?

- Second: How different will a new generation of ADPs be from the existing generation if they are to address adequately these new concepts of poverty?

The study itself is thus essentially forward-looking. However, within the time and resource constraints faced by the authors of this report, it is also evaluative in the sense of a formative, process-oriented assessment, largely of a qualitative nature, which provides an input into learning of a policy-related kind[2]. In other words, it attempts to assess whether "the right kinds of things are being done in the right ways"[3]. The arguments that the study develops on appropriate criteria and features of future project design have been informed, not only by a review of the perspectives, aims and approaches stated in successive generations of project documents, but also by an assessment of how adequately these were implemented in practice, and whether implementation shortcomings were attributable to (at the one extreme) unforeseeable events, or (at the other) to shortcom-

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[2] It must be stressed that it is not a formal, fully quantified evaluation of goal achievement of the "before/after" or "with/without" kind. The Evaluability Study (Rudqvist et al, 2000) has ruled out such a possibility, not least on the grounds that appropriate baseline information is not available
[3] Discussions with Sida, 7 May 2002.

ings in project design. This in turn demands some evaluation of whether and how far intended beneficiaries actually benefited, whether, how and how far benefits spilled over to (or were captured by) groups other than intended beneficiaries, what course-corrections were made, and so on. In many cases much evaluative information was gleaned from existing reports, and supplemented by information collected during field visits.

Table 1 shows the full name of each of the three projects under consideration;

Table 1 Sida Area Development Projects Studied		
Country	Name	Full Name
Cambodia	CARERE/Seila	Cambodia Resettlement and Reintegration Programme
Ethiopia	ANRS/SARDP	Sida Amhara Rural Development Programme
Zambia	EEOA	Economic Expansion in Outlying Areas

Note: these compound acronyms have been used to indicate that the evaluation covers both the earlier and later phases of particular programmes. Further details are provided in Section 2.1

1.2 Structure of the report

The report begins with an overview of the background to its commissioning and to Area Development in general. A brief description is given of the chronology of the study and of the personnel involved both in Europe and in the field studies. Section 2 presents a summary of the case studies, beginning with the country background, and summarising the main features of the projects, drawing on the individual country reports. It also describes the policy context, focussing in particular on the debate over the role of the private sector and the neoliberal agenda as well as the role of Poverty Reduction Strategy Papers (PRSPs) in framing the poverty debate. Section 3 is an analysis of major themes across the case studies, drawing in particular on the Sustainable Livelihoods framework, described in greater detail in the inception report. Finally, Section 4 considers the future of Area Development Projects, their importance in providing praxis-based examples to inform policy, the ways in which they can be retooled to perform better in this area. Appendices provide more detail on Sustainable Livelihoods and Rights-Based Approaches and on combining growth with social protection measures. At every point, this synthesis draws on the more detailed materials set out in the country report case studies, which are presented as a separate volume (Blench et al., 2002) and should be consulted in conjunction with the present document.

1.3 Characteristics of Area Development Projects

Area Development Projects are investment projects designed to develop a rural area largely to benefit the rural poor. They often serve low potential, degraded areas neglected by past investment strategies. Many are multi-sectoral, with activities in agriculture (crops, livestock, conservation, fisheries, forestry), water supply, health, rural infrastructure, and small-scale off-farm enterprises. The main intended beneficiaries of Area Development Projects have been smallholders; these projects have rarely been targeted to benefit the poorest in the rural population, notably the landless. Landless families have, however, occasionally and in proportion to their position in society, benefited from increased employment opportunities during project implementation and subsequently, from increased availability of food and jobs as production has risen. Investments in infrastructure and social services have, with the same restrictions, reached a broad spectrum of the rural population.

The rationale underpinning Area Development Projects consists of various interrelated elements. By offering a strategic and integrated set of activities and services concentrating on defined geographical areas where the poor live, products and services the poor produce and consume, and assets the poor hold, this approach is expected to:

• raise the productivity of the poor's physical assets and increase their incomes, through the provision of infrastructure, credit, technology, and complementary inputs and by regularising *de facto* land tenure rights;

• develop "human capital" by improving access to (and the quality of) basic health, nutrition and education services;

• improve living conditions by providing basic infrastructure and social services; and/or

• providing safety nets.

In problem analysis and project design, however, the targeting of marginal areas has been used as a substitute for more precise poverty targeting. The fact has often been overlooked that all areas of a society, whether central or peripheral, are stratified according to social class, ethnicity, gender and similar variables, and that the social mechanisms producing and reproducing such patterns affect all levels and areas of a given society. Therefore, without explicit poverty assessment and targeting, investments in infrastructure and production-oriented activities are likely to benefit the better-off categories of inhabitants disproportionately, even in an area that is generally considered to be poor.

Originally, one important feature of Area Development Projects was

their delimitation to well defined areas, such as regions or areas that share a common history, administrative and governmental organisation, or other key characteristics. The size of these areas was limited to a scale wherein the project could be expected to have a significant impact on the economy and livelihoods of the population of these areas as a whole. The current generation of ADPs reveals examples of far greater geographic spread. It is often unclear, however, whether the original expectations, regarding impact, shared characteristics, etc. have been reassessed accordingly in the design of these spatially more expansive and diverse ADPs. Most reviews and assessments of Area Development Projects and the generation of integrated rural development projects that preceded them, have arrived at a set of shared conclusions about the problems and weaknesses associated with this approach (see Birgegård, 1997; Edgren, 1999 and World Bank, 1993). Among these are the following:

- Local and central government ownership is a key requirement for project success. The complexity of the programmes and the mismatch between a multi-sector approach and the organisational structure and capacity of development country administrations, as well as many donors, nonetheless, often led to severe organisational and management problems. This has often either led to establishment of unsustainable bypass structures to ensure integration among components, especially in earlier integrated rural development projects, or acceptance of a lesser degree of integration between different components.

- The links to macro policy and the policy environment, such as crop and market prices, subsidies and regulations, as well as potential benefits from positive externalities, were frequently ignored.

- The projects tended to be designed and implemented according to a blueprint rather than a process-oriented approach. Blueprints are particularly at odds with complex and multisectoral approaches where unforeseen and unforeseeable events commonly occur. Such projects are likely to be better served by a flexible process design and management, facilitating the problem solving capacity and learning among the people involved.

- Participation was often promoted at the conceptual and rhetorical level, but generally limited and weak in project design and implementation (normally including information dissemination and consultation, but excluding shared control or transfer of authority and control over decision-making and resources).

- Sustainability has been an acute and persistent problem for area and integrated rural development projects (as for many other project categories as well). The projects usually created institutional structures

and bypass organisations requiring external funding and incentives, which were not sustainable when donor support was withdrawn. Most of the projects were also operating on scale and investment intensity which would have been impossible without a continuous inflow of external funding. National and local capacities to generate revenue to cover recurrent costs and capital investments were not realistically assessed.

• Timely project phase out is intimately related with sustainability. In this context sustainability refers to the project's achievements rather than the "project" itself. The logic of vested interests, or inertia, among key stakeholders means that it is unlikely that a recipient organisation will suggest the phase out of a free or low-cost resource and it is just as unlikely that a consultancy firm with an implementation and technical assistance contract, will suggest cutting down or phasing out the operation. Given the logic of such vested interests, the responsibility for a well-managed phase-out, primarily rests on the donor agency (see Hedlund, 1994 and Lindhal et al, 1998). The attention currently paid to ownership and partnership has tended to muddle such concerns.

Recent directions in rural development policy are beginning to raise new questions regarding the roles and methods of Area Development Projects. Sector-wide approaches, comprehensive development frameworks, and general awareness regarding the limited role of aid in development processes all have implications for three questions:

• Where do Area Development Projects fit in the future of development cooperation?

• What are the prospects for Area Development Projects making an impact on poverty reduction in the face of key macro and structural factors?

• What is or should be "sustainable" regarding the role of the state and the approaches, innovations or technologies being promoted?

1.4 Summary of methodology

The sequence of activities in developing the reports was broadly as follows:

• Discussions were held with Sida's Evaluation and Internal Audit Department (UTV) and Sida's Natural Resources Department (NATUR) to clarify the terms of reference and the approach to be taken;

• An Inception Report was prepared, setting out the consultants' interpretation of the terms of reference and their intended approach. This was then discussed and agreed with UTV and NATUR;

- Documentation relating to the 3 projects, to Sida's approach to evaluation, and to generic issues such as poverty and gender, was obtained from Sida headquarters and consulted;

- Key informants at Sida headquarters were consulted;

- National co-workers were identified and briefed;

- Introductory meetings were held with Sida and project staff in-country, and relevant documentation obtained and consulted;

- Key informant interviews were conducted in the capital city and at provincial and village levels with a view to capturing as wide a variety of stakeholder opinion as possible;

- Field visits to project areas were planned and brief surveys of beneficiaries and project staff conducted;

- A first draft report was prepared and presented to a national workshop to which project staff and other stakeholders were invited; this report was also sent out to other knowledgeable individuals who could not attend;

- Amendments were incorporated into the reports in response to the comments received from project, government and Sida staff;

- A synthesis report was prepared and presented together with the country reports, presented to a seminar at Sida headquarters.

- All reports were amended in response to comments received.

The field methodology was as follows:

It was decided to complete the case study in Cambodia prior to beginning work on Ethiopia and Zambia to pilot the approach. Considerable emphasis was placed on direct beneficiary interviews, and a pilot questionnaire was developed to encompass the main concerns of the Sustainable Livelihoods approach. The questionnaires were entered into a database and this allowed for some quantitative results, albeit on a small scale. The field co-ordinator, Roger Blench, then took part in the Ethiopia and Zambia fieldwork, adapting the questionnaires and database to local conditions, and also ensuring that key informant interviews were conducted along similar lines in all three countries.

Chapter 2
The Three Case Studies

2.1 Project contexts

2.1.1 Recent history of countries and project areas

Cambodia

Cambodia suffered severe civil disruption from the 1970s until the end of the 1990s. The disastrous era of Khmer Rouge government was brought to an end in 1979 by an invasion from Viet Nam, which in turn sparked a prolonged insurgency in the entire northwestern region by Khmer Rouge or their successors. With the departure of the Vietnamese in 1990, Cambodia was effectively run by the United Nations, through the United Nations Transitional Authority in Cambodia (UNTAC) force. It was during this period that CARERE I was established to begin the process of re-establishing civil government and developing strategies for the repatriation and resettlement of the numerous refugees who had spent long years in camps along the Thai border. CARERE I thus focussed particularly on rehabilitation in the former Khmer Rouge strongholds.

The UNTAC era ended in 1995, and Cambodia returned to being a constitutional monarchy. This coincided with the second phase of CARERE, which placed greater emphasis on rebuilding local government using participatory approaches. However, internal tensions led to renewed fighting in July 1997, and this was reproduced in the provinces leading to insecurity as late as mid-1998. Subsequent banditry continued into 1999 and was finally eliminated by the end of that year.

This has had several important impacts on the situation which are not paralleled elsewhere. Continuing insecurity has until recently made farmers very unwilling to invest in their land. Even now, the widespread presence of landmines is a major inhibiting factor in some areas, especially in Otdar Mean Chey Province. Equally important was the virtual absence of structures of government and the need to rebuild them from the ground up; this has generally been positive, since the type of institutional resistance typical of established bureaucracies is much less of a barrier. At the same time, Cambodia has been the subject of intense donor attention; all types of international agency and Non-Governmental Organisation (NGO) operate, not always entirely in co-ordination with one

another. Apart from its "citizenship" function, this also had important dimensions.

Cambodia: outline of CARERE/Seila

CARERE II, initiated in 1996, described as "an experiment in decentralised planning and financing of participatory rural development", was a radical break in design, activities and goals in comparison to CARERE I. The goals of CARERE changed over time from managing resettlement and relief to establishing a responsive system of local government in regions where this had effectively broken down. The main mechanisms for this were Village Development Committees (VDCs) and

Commune Development Committees (CDCs), bodies created to manage a participatory planning process. Local Development Funds (LDFs) were provided to designated communes to develop local planning capacity using participatory methodologies. CARERE also had important functions of stimulating public investment, service delivery and human resource development in technical areas. CARERE was also extended to Ratanakiri in the NE, where the problems revolve more around Natural Resource Management (NRM).

The main objectives of CARERE II were to;

a. Establish decentralised government systems that plan, finance and manage development

b. Create a secure environment conducive to reconciliation between government and communities

c. Assist government and non-government entities in providing essential basic services

d. Inform national policy on the CARERE/Seila approach

In practice this has involved working at all levels of government, setting up administrative and financial systems and monitoring their implementation.

CARERE ran from 1991–2000 and has now been replaced by a Cambodian Government Programme, Seila, under the responsibility of the Seila Task Force, and with core support (in the form of the Partnership for Local Governance – PLG) from the United Nations Development Programme (UNDP), Sida and the Department for International Development (DFID). Seila (i.e. the Seila Programme) has attracted other donors, as well as financial commitment from the Cambodian government, which will ensure its continuation until at least 2005. Seila presently covers 506 communes out of a national total of 1621. The Seila process is now going national, with coverage being rapidly extended to

Figure 1. Seila Task Force Structure

Figure 1. Seila Task Force Structure

cover most communes by 2005. The commune elections in February 2002 are replacing the CDCs and VDCs with elected bodies.

CARERE II/PLG and later Seila has always retained an experimental aspect; to try things which other more conventional aid projects left untouched. Moreover, it had an unusually explicit political aim, engaging with pro-democracy activities and building up civil society in a post-conflict situation. This was only possible within the restricted frame of the Cambodian situation and the later evolution of Seila is undoubtedly the single most important success of CARERE II from this perspective. The completion report on CARERE II rated this project "highly satisfactory" in almost every category (UNDP/UNOPS 2001).

Figure 1 shows the current structure of Seila.

Ethiopia

Ethiopia was a highly centralised monarchy until the early 1970s, when the Emperor was removed and control fell into the hands of the revolutionary Marxist regime, the Derg. Continuing insurrection in the regions and a decade of warfare in the 1980s resulted in extreme running down of national resources and infrastructure as well as isolation from the major donors. The fall of the Derg in 1991 has been followed by a decade of increasing stability and reform under the Federal Democratic Republic of Ethiopia. The border war with Eritrea in 1998–9 was marked by a suspension of aid by many donors.

Continuing insecurity has conjoined with a troubling demographic situation to create a country permanently on the edge of food security crises, with a severely degraded environment. With a population of more than 67 million projected for 2002 (CSA, 1999) and a land area of 1,127,000 km², Ethiopia has a very high average population density (59 inhabitants/km²) in relation to most other countries in Sub-Saharan Africa. Ethiopia is one of the poorest countries in the world (ranked 171 out of 174 countries) (UNDP Human Development Report 2000) reflecting its low per capita income, but also the deteriorating food security situation. Average food supply per day and per capita is 1600–1700 calories, only 70% of estimated requirements (World Bank, 1999). The national economy is primarily agrarian. Yet agriculture as a share of Gross Domestic Product (GDP) has fallen from about 65% of GDP in 1960 to about 45% (1997), (World Bank, 2000a). Nevertheless, agriculture accounts for as much as 85% of all exports and 80% of total employment, implying very low returns to labour. Moreover, growth in agricultural production has consistently failed to keep pace with population growth. High rates of labour absorption in agriculture, low growth rates in land productivity and stagnant labour productivity only increase demand for arable land. As land reserves in the Ethiopian highlands are extremely scarce, this offers

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poor prospects for the ecological sustainability and the economic viability of current agricultural practices (UNDP, 1997).

Ethiopia: Outline of the ANRS/SARDP

The development objective for the Sida support programme in ANRS/ SARDP is: "To improve conditions for the rural population of the ANRS/SARDP through a sustainable increase in agricultural productivity and natural resource use as well as through economic diversification" (Phase I and II), "and through promotion of good governance and equitable development" (Phase II). Specific objectives are capacity building at the woreda level aiming at strengthening the *woreda* administration to respond to needs articulated by an empowered population, and capacity building at support institutions and services. The support institutions and services are encompassing functions related to rural infrastructure development as well as agricultural research, extension and training, agricultural input supply services, rural credit plus management and co-ordination at regional level. Two pilot zones, i.e. East Gojjam and South Wollo, were selected (out of ten zones in the ANRS/SARDP) for programme implementation and, in these, programme activities have expanded from the involvement of 4 *woreda*s in the first year (1997) to 16 at the end of phase I (2001). The plan is to cover all 30 rural *woredas* in the two zones by end of 2004.

The programme is managed and co-ordinated by the Programme Coordination Unit (PCU) at regional and zonal levels. The Programme Director reports directly to the Head of Bureau of Finance and Economic Development (BoFED) in ANRS/SARDP. A Programme Coordination Committee (PCC) at regional level and Woreda Development Coordination Committees (WDCCs) at *woreda* levels have been set up for sector wide consultations and co-ordination of programme implementation. Representatives from the *woredas* attend some but not all PCC meetings.

Two vignettes illustrate the vulnerability of livelihoods in the project area:

- *Farmer in East Gojjam:* "It is cheaper to buy grain than to produce it". His household only produces grain for own consumption. He has recently planted Eucalyptus that will provide revenue after 4–5 years and the family sells vegetables, sheep and brandy for cash in order to buy consumables, fertiliser and pay taxes. 2–3 household members go out on wage labour. He depends on expected revenues from Eucalyptus in the future (1.25 ha planted on that land is too poor for crops).

- *Farmer in South Wollo:* Her family cultivates 0.75 ha of land and suffers an annual food grain deficit of 3–8 quintals. They sell sheep/lambs at 70 Birr each and depend on food aid for sustaining their living. "If the rain is good it is possible to get a high yield, but if not the only

choice is food aid or resettlement". Shortage of land and irregular rainfall were named as equal causes of their vulnerability. If she had access to credit she would invest in petty trade and sheep breeding. A local Development Agent suggests "Possibilities to irrigate some areas should be better explored, some families in the area have small springs and irrigate potatoes and vegetables".

Zambia

Zambia became independent in 1964. Up to that time little attention had been paid to smallholder/village agriculture save for the introduction by the Department of African Agriculture of improved varieties of plants and livestock for subsistence purposes and some experimentation with co-operative marketing. Northern Rhodesia's traditional role in the Southern African economy had been as a supplier of labour for mines, industries and commercial farms. Those who resided in villages partly "subsisted" in a non-cash economy while receiving cash, directly or indirectly, from those who travelled as migrant labour to the Copperbelt, to commercial farms elsewhere in Zambia or Zimbabwe, or to the South African gold mines.

By the late 1980s Zambia suffered from hyperinflation, with the input, transport, marketing, milling and retail subsidies of the maize industry as a major contributing factor. The system was clearly unsustainable and started breaking down throughout the commodity chain. It was "officially" brought to an end in 1992 by the new Movement for Multiparty Democracy (MMD) Government in late 1991. The marketing of maize, seed and fertiliser was formally declared "liberalised". The success of market liberalisation was threatened from the outset of the MMD period by macroeconomic policies of "structural adjustment". The first year of full, free maize marketing – 1993 – also featured Zambia's highest ever interest rates (rising to over 200 percent per annum). Such interest rates, and the fact that their future movement was unpredictable, were a powerful disincentive to the purchase and storage of all agricultural commodities including maize. They also acted as a powerful inhibitor of production – except where unsecured and thus non-repayable credit was available. The draconian interest rate regime was supposed to last for a transitional period of two or three years, following which the Zambian economy would enter a growth phase. However, the "transition" is still continuing, with current rates at over 30 percent in real terms. Rates have been kept high at least in part by the Government's desire to maintain an overvalued currency (the *kwacha* is fully convertible) for the benefit of consumers. This in turn has depressed *kwacha* commodity prices in both domestic markets (due to cheap imports) and export markets. Although there was partial failure of liberalisation, there has been some success with smallholder outgrower schemes run mainly by commercial cotton

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and tobacco companies and NGOs and most growth has been close to the line of rail. In summary, *Zambia's macroeconomic policies of the past ten years have impacted negatively upon producers and upon traders in the slower moving commodities.*

Zambia: Outline of the EEOA Programme

The EEOA Programme was initiated in 1995 as a response to the liberal-isation of the economy put in place in the early 90's by the Zambian gov-

Photo: Trygve Bølstad/Phoenix Bazaar Bildbyrå

ernment elected in 1991. It was expected that new opportunities would become available and that smallholders would need to improve their understanding and skills and develop links to the private sector, in order to be able to take full advantage of these new opportunities. A first "Pilot phase was initiated in 1995. The second "Consolidation phase was supposed to run from 1998 to 2001 but has been extended to the end of 2002 when all agricultural programmes and projects will be unified under one umbrella programme. The initial overall objective in the first phase was retained almost unchanged for the second phase, namely: "*to contribute to improved living standards in the target group through increased income*". The Programme essentially has four main linked components, which produce corresponding outputs:

- Facilitation and training of farmers and entrepreneurs are at the heart of EEOA and are largely responsible for producing an enhanced capacity to generate and implement business ideas in the community and (together with the other components) a core or "critical mass" of farmers and entrepreneurs with viable businesses linked to other relevant players in the market.

- Infrastructure support (through the Rural Economic Expansion Facility) which should put in place relevant, locally owned and maintained infrastructure (on a cost sharing basis) being mainly roads, irrigations canals, local markets, dip tanks, etc.

- Financial services and in particular a source of credit through the Micro Bankers Trust (MBT). This is almost entirely through farmers' groups. The establishment of these groups through facilitation is an important part of this component.

- Training of core Ministry of Agriculture and Cooperatives (MAC) and some other government staff to enhance their capacity to support farmers. This is a relatively new component that, while still small, has been growing in importance over the last two years to support the introduction and spread of EEOA-like approaches. The use of MAC staff was strictly limited during the first years of EEOA.

The EEOA Programme moves into a district for six years and operates in four to six "Facilitation Areas" (up to around 1,000 households) for three years. EEOA is set up with a parallel or by-pass structure which is not part of, but works alongside, its collaborators such as MAC and MBT. While in operation, the EEOA "machine" straddles the public/private divide, with MAC and other local government institutions constituting the public side of the equation. The private side includes the various entrepreneurs and farmers' groups which have been mobilised, the credit institution (MBT) and the improved infrastructure. Very crudely, EEOA can be considered as a kind of "cranking machine applied across the public/private systems in an area to wind them up and get things moving. When EEOA phases out of an area, the various outputs mentioned

above should be taken over by the different private and public sector players and become a part of the related local systems and structures. In this way, the effect should be sustained and if the environment is sufficiently favourable, spread to other areas.

Table 2 summarises the three projects under consideration.

Table 2. Sida Area Development Projects – summary of status			
Country	Cambodia	Ethiopia	Zambia
Short Name	CARERE/Seila PLG/Seila	ANRS (Phase I) SARDP (Phase II)	EEOA
Full Name	Cambodia Resettlement and Reintegration Programme	Amhara National Regional State – Sida Cooperation in Rural Development Programme (Phase I), and Sida Amhara Rural Development Programme (Phase II)	Economic Expansion in Outlying Areas
Inception date (actual)	1996	1997	1995
Future history	Will continue at least until 2005	Runs until 2004	To be rolled up into an integrated Sida pro- gramme by end 2002
Management	UNOPS/UNDP	ANRS, with the assistance of ORGUT/DANAGRO	RWA/Terra Nova/ Moses Banda
Modality	Collaboration with government	Funding government	Bypass

2.2 Policy context

This section outlines what we regard as two fundamental elements of the policy context in which ADPs operate. The first of these is the perceptions (and practice, which may differ fundamentally from the stated policy) among policymakers in partner countries of the role of the state in relation to that of the private sector. This sub-section first sets out current neoliberal principles regarding the role of the state, and then briefly examines the position adopted in each of the three countries. The distinct differences between, for instance, the basic philosophy underlying the Ethiopia and Zambia ADPs, need to be understood against the backdrop of the respective governments' positions regarding the roles of state and private sector. These positions effectively delineate the scope for model development (or "piloting") by the ADPs, and the scope for such models

to eventually be integrated into government or private sector structures. Whether and how far governments are moving towards neoliberal concepts is therefore fundamental to the design and implementation of the respective ADPs and to the scope for "integration" as defined in the terms of reference for this study. It is also fundamental to Sweden's relations with its partner countries more generally, insofar as it may wish to help them to move away from old socialist/centralist perceptions of the role of the state and towards the creation of conditions in which markets can function better. In many cases, this would amount to helping them to close the gap between their own policy statements and the reality of implementation of these. Perceptions of the role of the state and private sector are therefore treated in broad policy terms here. This is somewhat distinct from the narrower question of how the private sector can be stimulated and how ADPs relate to it, which is discussed separately later (section 3.6).

The second sub-section here discusses national strategies towards poverty reduction. Again, this is fundamental to relations between governments and the ADPs (and Sida more generally). The specific case is taken here of progress towards Poverty Reduction Strategy Papers, which are being developed in all three countries. The arguments presented here are intended as generic, as it is recognised that PRSPs may be of greater or lesser value in individual countries, with greater or lesser political commitment to them, and in any case may not endure beyond the current flurry of interest.

There is a third, underlying, dimension which permeates these two sub-sections: any review of the policy context must remain cognisant of the potential gap between policy rhetoric and policy implementation. Nowhere is this more crucial than in the type and degree of governments' commitments to poverty reduction – in, for instance, ways in which the poor are included in decisions that affect their livelihoods. Lack of commitment can manifest itself in several ways, including:

• Lack of political commitment to policy reform

• Bureaucratic inertia, where vested interests preserve the status quo

• Lack of knowledge of how to institute policy reform

It is now largely acknowledged that aid conditionality is a relatively ineffectual tool with which to forge a political commitment to policy reform (see White, 1999). It might be assumed that ADPs are particularly ineffectual as vehicles for conditionality, as they are targeted at marginalized rural populations, which politicians may not be responsive to. The impact of ADPs on policy reform must therefore be seen in terms of promotion of learning, rather than as a way of exerting pressure.

A major concern for ADPs is their impact on bureaucratic inertia. ADPs can stimulate reform by channelling resources (and power) toward reform-minded elements in the civil service. However, if they have a diffuse vision and weak coordination and monitoring mechanisms, they may actually slow or reverse efforts to focus the bureaucracy on public goods and other core tasks, as bureaucrats are able to access resources for expanding their existing roles (and power). There are some indications that this may have happened in Ethiopia. A "do no harm" perspective on the impact of ADPs on bureaucratic inertia may certainly be warranted. Perhaps the greatest role of ADPs is in building capacity by filling gaps in knowledge of how to implement policy reform. CARERE/Seila has apparently helped to satiate the pre-existing desire for learning about new approaches to putting new policies into practice in rural communities.

2.2.1 Perceptions of the role of the state and of the private sector

This will be described based on comparisons of (1) current (neoliberal) concepts of the role of the state; (2) project design assumptions, (3) the different development trends in the three countries, and (4) the cultural and historical factors that have influenced attitudes toward the roles of the state and private sector by both collaborating institutions and target populations. The differing perceptions and assumptions of different project stakeholders will be outlined.

Neoliberal concepts of the role of the state

Neoliberal concepts underpinned the Economic Reform Programmes ("structural adjustment") of the early 1990s and so have been current for the last decade. In brief, they are premised on arguments that state resources are limited and so have to be used only where they are really needed (i.e., not where the job can be done as well or better by the private sector), and that the state is not particularly efficient when it comes to direct engagement in commercial activities. They therefore see the role of the state as:

- providing public goods (essentially, those for which markets do not exist, and so are unlikely to be provided by the private sector unless financed by public resources);

- facilitating and regulating the activities of the private sector where markets *do* exist, or can be made to work.

Although each of these is grounded in clear economic principles (public goods, for instance, are those which are neither subtractible nor excludable – see Carney (1998) for examples relevant to agriculture), the precise role of the state will be subject to location-specific conditions. For instance, some aspects of health care, education, road use and irrigation use

may easily lend themselves to the application of user-fees in some countries, and so might be amenable to services provided through market mechanisms, or at minimum, the recovery of part of the cost of service provision by the state. Such charges may be alien to the traditions prevailing in other countries, so that services in these spheres must inevitably retain an essentially "public goods" character, at least for the short term.

Similarly, "facilitating the private sector" implies moves by the state to rectify market failure attributable to varying combinations of weak infrastructure, high risk, poor information, economies of scale and so on. In areas where market infrastructure is already well-developed (typically in close proximity to the capital cities of developing countries) it may cost the state very little to correct market imperfections. In other, weakly integrated, areas (typically comprising most of the land area of developing countries and containing the majority of poor people) the costs of providing adequate *physical* infrastructure for markets to have even the slightest prospect of functioning are prohibitive. To this must be added the costs of monitoring the "soft" side of market development (information, risk, the pursuit of restrictive practices…) and of providing appropriate remedies. Hard choices concerning public investment priorities therefore have to be made, and where there is little prospect of creating an enabling environment for the private sector to function well, then there are good arguments for the state itself to engage in economic activity, certainly for the short/medium term, providing that adequate performance safeguards can be built in.

In broad terms, Sida's role in all three projects is in conformity with these concepts: it has generally performed roles befitting its status as part of the (international) public sector. For instance, in all three projects, substantial parts of project budgets have been allocated to combinations of information and infrastructure. Also high on the agenda have been public goods in a wider sense than the purely economic – such as enhancement of people's capacity to participate in decisions on investments that affect them, and wider aspects of citizenship.

Where Sida's performance has been much more mixed is in:

• the quality of perception of appropriate roles of the state in project documents and among staff engaged on the projects, working in embassies and based in headquarters. Project documents tend to discuss the role of the state in *ad hoc*, piecemeal, empirical ways rather than in ways rigorously grounded in accepted concepts, and interviews suggest highly variable awareness of such concepts among staff;

• helping partner governments to internalise into their planning and operations appropriate concepts of the role of the state. In the Cambodia case, the problem has largely been one of supporting the state in

regulating the private sector, particularly in relation to its predatory impacts on minorities and the environment in Ratanakiri. In Ethiopia and Zambia, the states have long histories of central planning and control, and of hostility towards the private sector. Whilst there are claims that some of these attitudes are being shed, the projects have played much less of a role than they could have done in supporting governments, at all levels, in developing new thinking, policies and actions in support of legitimate private sector activity. This issue is taken up in more detail in section 3.4 where the private sector is discussed more fully.

2.2.2 Status of poverty-focused frameworks for resource allocation, including PRSPs

Whether countries are prioritising poverty within their programmes for public investment and service delivery in rural areas determines to a large degree the scope for ADPs to develop models and approaches to reduce poverty. *How* countries are doing this will help to determine the *types* of approach to poverty reduction that it would be most appropriate for ADPs to "pilot".

All three countries are developing PRSPs. The purposes of reviewing them in this study are:

- to identify the broad scope of the PRSPs and corresponding drafts; to identify levels of civil society consultation and ownership; to identify levels of engagement by the donor community, including Sida;

- to establish how far lessons learned from the ADPs have been incorporated into successive drafts of the PRSPs, and what scope there is for them to be incorporated in the immediate future;

- to identify what mechanisms for learning, M&E and course correction are being built into PRSPs, and what scope there might be for lessons from the ADPs to feed into these in the future.

The PRSP process in Cambodia has a rather unhappy history. The Government's Poverty Reduction Strategy process was launched in early May 2000, while preparations were also being made for the second Socio-Economic Development Plan (SEDP II). The Ministry of Economics and Finance prepared an Interim Poverty Reduction Strategy Paper (I-PRSP), which was approved by the Council of Ministers on 26th October 2000. The Ministry of Planning then began preparation of SEDP II, the second draft of which was completed on 31st March 2001. The result was two parallel documents, one driven by the World Bank, the other by the African Development Bank (ADB). Until a very late stage, none of these documents were in Khmer, which, as the NGO forum website says "raises severe doubts about the ownership of these documents".

The World Bank and ADB appear to have worked more in competition than in collaboration leading to an unwieldy 3-phase process (I-PRSP, SEDP II, Full PRSP), in which each party only appears willing to take responsibility for certain phases. As one provincial official put it: *"different donors use different arms of government, until the left arm does not know what the right arm is doing "*. The behaviour of the two Banks has to some extent undermined the confidence of both Government and NGOs in the value of national strategic planning processes. To date, there seems to have been little interaction between the PRSP process and the design of the next phase of Seila.

The Ethiopian government's *Interim Poverty Reduction Strategy Paper* (I-PRSP) was drafted in November 2000 (FDRE, 2000), but it was not until January of the following year that copies of the document were available for public discussion. The underlying concept is that increased agricultural production will follow from further economic reform and market liberalisation, leading to increased exports and eventually greater investment in industry. Agricultural production will also reduce levels of food insecurity thereby releasing the productive potential of households constrained by chronic food shortages. The model is growth-led, encompassing a level of optimism concerning government policy not untypical for this type of document. The other elements emphasise conventional civil society enhancement measures revolving around the improvement of public goods and services. The most striking lacuna in this document is the lack of analysis either of the structural causes of poverty or the segmentation of the poor. As a consequence, its proposed remedies largely fail to address the underlying problems.

Initially, government did not encourage public debate of the I-PRSP, but a number of civil society organisations took the initiative to hold public discussions on poverty in the country and to demand that the PRSP process involve broad-based consultations with stakeholders, including the rural and urban poor. In August 2001, the government announced its plans for countrywide consultations on the I-PRSP as a prelude to the preparation of the final PRSP. These consultations were to be undertaken at the *woreda,* Regional and national levels. At each stage, a report of the proceedings was to be prepared to serve as an input to the subsequent discussions at higher level. At the end of the consultations, technical committees which had already been established were to prepare the final PRSP. The Ministry of Finance and Economic Development was to be in charge of the whole process. The final document is planned for completion in May 2002.

The I-PRSP does not contain a framework for detailed monitoring, though it does suggest measurable indicators that could be included as part of a monitoring system. There is as yet no monitoring approach that has been agreed upon by either civil society or donor groups. In light of

decentralisation within the federal system, it may be much more valuable to consider monitoring outcomes at intermediate and Regional levels. This will give the Regions an important role to play, and make it possible for the government to get feedback and to learn from the experience. Monitoring at regional level, based on a simple but transparent system of measures or indicators, would enable government to make timely course corrections.

The current drafts of the Poverty Reduction Strategy Paper (PRSP) for Zambia, being produced under the auspices of the Ministry of Finance, emphasise the role of economic growth as the key to poverty reduction. The mechanisms through which economic growth will reduce poverty are not elaborated, and neither are possible contrary effects. The subject of welfare, in the classical sense of compensatory benefits for the disadvantaged, is scarcely mentioned.

> *The focus of our PRSP is for the Zambian economy to grow over a sustained period of time at between five and eight percent per annum. A growing economy that creates jobs and tax revenues for the state is a sustainable powerful tool for reducing poverty. This growth should as much as possible be broad based, thereby promoting income generation, linkages and equity. It will also reduce the dangerously high dependence on aid. Poverty could rise sharply if aid is withheld.*

Poverty Reduction Strategy Paper, DRAFT, September 2001 pp. 5–6

The PRSP draft identifies 25 specific interventions divided into categories. Some of these are well outside the EEOA scope (e.g. "high level energy provision.rural electrification). However, a number of EEOA-compatible interventions are identified, including;

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Photo: Anders
Gunnartz

- physical infrastructure rehabilitation and construction;

- promotion of agribusiness through training, reorientation of extension services, business training;

- promotion of small-scale irrigation, and crop marketing and storage skills amongst small farmers;

- promotion of crop diversification and conservation farming.

The PRSP team's vision of rural Zambia is a private sector oriented and commercialised one. There is only one mention of the "vulnerable and it is imprecise, viz: "establishment of support system for vulnerable households.

Part of the difficulty with evaluating the PRSP, especially in draft, and evaluating approaches against it is that it pays due deference to the role of every sector in poverty alleviation and reads almost as a check-list of sectors and sub-sectors, as well as a wish-list of possible interventions.

Chapter 3

Analysis of Major Themes across the Case Studies: Poverty and Gender

3.1 Poverty reduction

3.1.1 Sida policy objectives

This study examines the poverty reduction performance and potential of the ADPs against Swedish development cooperation policy objectives intended to guide project design, including the ownership of these policies among key actors. The most important of these documents is "The Rights of the Poor", a Swedish Government report of 1996/7, that describes poverty as consisting of three dimensions: capabilities, security and opportunity. These are defined as follows;

• *Capabilities* are mostly understood as (a) economic capacity: including income, assets, savings, and (b) human and social capacity: including health, knowledge and skills.

• *Security* against unforeseen events such as sickness, accidents, injustice, economic and political crises etc. Remedies can be achieved, for instance, through social networks and security systems, enactment of legislation, etc.

• *Opportunities* for taking control over one's life refer to possibilities and options for participation in decision-making, in economic activities, etc.

The three ADPs reviewed were not designed (or redesigned in later, post-1996/97 stages) with explicit emphasis on addressing these policy objectives. In at least two of the cases, poverty was addressed implicitly more than explicitly. In CARERE/Seila, for instance, a driving assumption was that the development of strong, decentralised, participatory processes for prioiritisation of investment and service delivery would help to reduce poverty by ensuring that public expenditure was appropriate both to local contexts and to the needs of the poor. In EEOA, a driving assumption

was that the benefits of growth would spin out to the poor from the pockets of investment generated by the project. However, the mechanisms by which these effects would take place, and by which the third programme – ANRS/SARDP – would impact on poverty, were specified only very vaguely, if at all, in project documents. To do so adequately would have required much more careful project preparation. In particular, it would have been necessary to break down the broad and ambiguous category of the rural poor into segments that demonstrate different livelihood strategies for achieving capability, security and opportunity.

In none of the three projects are beneficiaries segmented into different poverty-specific categories, and the relative importance of different aspects of poverty for individual groups is left unanalysed. However, recent writings (see, for instance, Narayan et al., 2000; Goetz and Gaventa, 2001, among many others) have underlined the importance of this type of analysis if poverty reduction is to be achieved. The question of segmentation is discussed in detail below. First, however, we consider the approach taken by the projects to poverty reduction, and assess this against the 1996/7 "Rights of the Poor" criteria. This analysis faces a number of difficulties since the mechanisms of impacting on the poor are not specified precisely in project documents. It is therefore intended to be formative rather than a judgement on project performance, and much of the assessment will be forward-looking, in the sense of identifying how intended poverty impacts can be specified and achieved more fully in future.

3.1.2 Poverty reduction and the EEOA

Poverty reduction was never one of the stated goals of EEOA. The stance that direct impact on poverty is therefore not a criterion of project performance has been re-iterated in a number of documents and briefings by its staff. The focus is instead on economic growth through working with articulate, literate households in accessible areas. The assumption must be, in terms of Sida's priorities, that such growth acts as an engine of area development and that this in turn will benefit the poor. Poverty reduction could therefore be considered as an implied goal. This is supported at least in the programme document for the first phase, which includes improving the "economic environment of smallholders" and states that "rural village households" are part of the target group. The emphasis in the project has been largely on *capabilities* and *opportunities*. There has been little emphasis on improving livelihood *security*, despite the fact that risk, uncertainty and vulnerability are areas of major concern to the poor and are particularly relevant in Zambia, which has suffered a series of major episodes of food shortages over the last decade (particularly in 2002). If EEOA was to have poverty reduction as an explicit goal, it would have to take steps to ensure that the basic underlying assumptions about how the economic growth facilitated by the programme will lead to

poverty reduction are made more detailed and coherent. That assumes, of course, that such an argument can be empirically supported. EEOA has not demonstrated that enhancing the capabilities of the most articulate, accessible households will actually accelerate growth among those less well endowed.

3.1.3 Poverty reduction and the ANRS/SARDP

The ANRS/SARDP Programme has changed its position regarding poverty focus over time. In the draft programme document of September 1996, and in the revised programme document of November 1996 (ANRS 1996), primary target groups and vulnerable groups were identified and listed together with specific programme support activities aiming at perceived needs of these groups. The final programme document of March 1997 took a more general approach (ANRS 1997). The targeting of vulnerable groups and women became the responsibility of the *woreda* administration and was linked to the allocation of WDF resources and the promotion of Amhara Credit and Savings Institution (ACSI) credit (despite ACSI's expressed concerns that many members of the "vulnerable groups" mentioned in the programme document may not be deemed as credit-worthy). Whilst this aspect of the programme could have been seen as addressing *security*, the nature of vulnerability was not explored, and this objective was not vigorously pursued. The overall poverty reduction strategy now became equated simply with intensification of smallholder agriculture and economic diversification. The general view was that all farmers are poor and that programme activities aiming at agricultural development for the rural population will benefit the poor by definition. Again, the emphasis was primarily on *capabilities* and *opportunities*. It should be mentioned that half of the programme's operational area is in South Wollo, an area of extreme food insecurity, which has been subject to repeated and intense famine. This makes the failure to explicitly address *security* particularly notable.

In the programme document for phase II of March 2001 (ANRS/ SARDP 2001a) the primary target groups are farmers, rural women and private sector entrepreneurs. No discussion on poverty reduction is included, and the strategy on agricultural intensification/diversification and economic diversification remains as in phase I. In the final phase II programme document of September 2001 (ANRS/SARDP 2001b), a poverty focus is suddenly highlighted. In this document the primary target groups are the rural poor, i.e. those living in absolute poverty, those who are deprived of social services, and the powerless. In the same document it is stated that a holistic approach towards opportunities for poverty and vulnerability reduction should be applied. The poverty reduction strategy remains the intensification of smallholder agriculture and eco-

nomic diversification. No clear indication is given of how the benefits of growth in these areas are anticipated to spread to the categories of the poor identified.

3.1.4 Poverty reduction and CARERE/Seila

CARERE/Seila approached Sida's overarching goal of poverty reduction through improved governance, the driving assumption being that decentralisation and improved local governance would create better opportunities for pro-poor development. How this would happen has become more clearly defined in successive generations of project documents, and poverty concerns have gradually fed their way into Cambodian policy. An absence of baseline data inevitably makes quantitative assessment impractical, but all types of indirect indicators suggest that overall wealth is increasing. However, field evidence suggests the very poor may be excluded from these trends. Again, the emphasis is largely on *capabilities* and *opportunities*, with little consideration of *security*. Again, the ways in which the benefits of growth might spread to the poor remain unclear.

3.1.5 Poverty reduction, risk and insecurity

The general implication of the limited attention paid by the projects to questions of security is that they will underestimate the influence of *aversion to risk* in investment decisions taken by the poor. A wide body of economic theory (ranging from farm production economics of the 1960s to analysis of the reasons for market failure in the 1980s and 1990s) makes clear that if investments are perceived as risky, investors will allocate lower levels of resources to them than will be socially optimal. Thus, the uncertainty felt by many rural people over land rights in parts of Ethiopia are likely to have discouraged investment in anything having a longer gestation period than a single season, such as irrigation, tree planting and soil and water conservation measures (livestock are an exception, given their mobility). A history of famine, and the integration of food aid and related safety nets into local livelihoods have profoundly affected household strategies. This has been intensively researched and monitored, though there is no evidence that these aspects have been considered in the programme. In Zambia, there may have been some "uncertainty by association". For instance, continuing difficulty faced by households in achieving basic food security and uncertainty regarding government commitments to policy reform (particularly in view of government's somewhat erratic involvement in marketing, credit and the manipulation of maize prices) may have discouraged them from taking up training of the type offered by EEOA and thenceforth investing in new enterprises. On the more positive side, the striking willingness of villagers to invest in new business in Cambodia argues strongly that security has been ad-

dressed; only an optimistic vision of the future can explain the willingness to make capital outlays in the fashion clearly demonstrated by the field-work. Clearly, there are limits to what externally-supported projects might achieve in trying to persuade the respective governments to reduce levels of uncertainty of this kind. Nevertheless, the Sida engagement over such a long period as in the Ethiopian case offers a platform for negotiation with government over some of these policy issues, which affect the project, but are also of wider significance. It is a pity that this platform has not been sufficiently utilised.

There is scope here to assess project performance against a more specific interpretation of "security" – namely personal security in post-conflict situations. This is potentially an issue specifically in the Ethiopia and Cambodia cases, where conflict has recently ended. In the Cambodia case, relief and rehabilitation were specific components of the first phase of the project, and reconciliation processes have been a continuing theme up till recent times. In Ethiopia, no explicit attention has been paid to any eventual relationship, positive or negative, to conflict. This is despite Sida's strong commitment to the "Do No Harm" principles developed by Mary B. Anderson. On a more macro level, however, general concerns over the potential fungibility of aid resources led Sida to join other donors' efforts to put pressure on the Ethiopian government by delaying approval of the second phase of the programme during the war with Eritrea. A further opportunity to raise these concerns in a constructive manner could perhaps be found by applying the "conflict impact assessment" methods that Sida is developing to programming decisions in Ethiopia.

3.1.6 Poverty and segmentation

As suggested above, disaggregation (or segmentation) of the poor into specific categories is a prerequisite for appreciating more fully the types of livelihood they pursue, and for understanding more adequately how they might or might not benefit from support to capability enhancement or economic growth, and what additional support (e.g., to enhancement of security) they might require. Segmentation has several potential dimensions, such as:

- by ability to engage in economic activity, and, if so, by type;

- by age, class and gender;

- by location;

- by kinship links.

Some reconsideration of the basic principles of economic development helps in understanding more fully the scope and need for segmentation. Economic development is concerned primarily with growth, though it is

now widely recognised that this is a necessary but not sufficient condition for poverty reduction. Growth can be promoted in a variety of ways, some of which are more pro-poor than others. Ideally, growth would:

i.   help to meet the consumption needs of the poor by stimulating the production of relevant goods and services in high volumes, at improved quality, at low and stable prices, and in ways which are easily accessed by the poor;

ii. do so in ways which are market-competitive yet offer high volumes of employment opportunities at acceptable wages in ways relevant to the poor;

iii. do so in ways which allow production and social protection to develop hand-in-hand.

As (i) and (ii) indicate, the poor are labourers, own-account producers and consumers – occasionally different persons remain permanently in one or other of the first two categories, but more commonly switch among them as livelihood strategies change over time, and all are consumers. Furthermore, all are citizens, so that the need for strengthened capacity to influence decisions on public resource allocation that affect their livelihoods is a principle common to all, though the most appropriate ways of implementing this will vary among categories of the poor. The implications of (iii) are considered below.

Segmentation of the poor into producers, consumers and labourers is only a first, crude step, and needs to be nuanced further according to differing subtypes of these three categories, according to the characteristics of the poor themselves, such as age, gender and class, and by time and space.

An important further category is those temporarily or permanently unable to engage in any of these categories of production or employment, such as the sick or disabled, the displaced, the very young, the elderly, and single parents with many dependents. These are commonly categorised as the destitute or near-destitute, and are generally the poorest in society. Many development projects, including the three studied here, shy away from these, arguing that the "poorest of the poor" are outside the reach of the projects. In the one example where these groups were mentioned (Ethiopia) this aspect of the project was effectively left unimplemented. These categories are indeed more likely to be supported by income transfer schemes (such as feeding schemes, pensions, sickness benefits and child support) than production-focused activities"– although initiatives such as the provision of child-care, and efforts towards social organisation in areas of low social capital (such as new settlements) can have a positive influence on people's availability for work. Income transfer schemes are generally perceived to be more in the domain of govern-

ments, or perhaps NGOs, than of donor-funded ADPs, not least because of the problems they pose when devising adequate exit strategies. This does not, of course, rule out coordination between ADPs and NGO/government social protection projects. This is particularly important in areas where a significant segment of the poor shift back and forth over time between being food aid recipients and being "productive" poor, and where NGOs have engaged in considerable analysis of related food security issues.

There are also substantive links between the livelihoods of the destitute and productive activity, which need to be understood and monitored. All are consumers, and (for example) price reductions in preferred types of food will benefit them. This is in contrast to many efforts to "upgrade" the quality of resources, which may inadvertently disadvantage them. For instance, the upgrading of fish stocks in inland waters may generate fish of a type and size which the poorest cannot afford; similarly, efforts to upgrade grazing land or forest may deny the poorest (who may engage in some herding or gathering) access to food and fodder resources (which may be seen as "weeds" by those leading upgrading projects). They may lose access to the resource altogether if an area is closed for a period during rehabilitation. On the more positive side, the poorest may benefit from production or employment-focused projects if friends or relatives pass on some of the benefits of these in the form of cash or (more commonly) food or shelter.

The general point here is that, even those projects which do not see themselves as catering for the poorest will generally have some direct or indirect impact on the livelihoods of the poorest, and these need to be understood so that (possibly even minor) adjustments to the project can be made in order to enhance positive impacts and reduce negatives. Overall, however, the projects reviewed are very weak in their perceptions of poverty in applying segmentation along appropriate axes, and in identifying how benefits flow (or fail to flow) among different groups[4]. For instance, in Cambodia, there is little or no data on wealth stratification in the population which could help determine whether the indirect indicators of economic growth actually reflect increased incomes in the bottom strata of society, or whether the richer segments are benefiting from access to the newly cheap labour of the landless. In addition, in Cambodia, migration to a new economic zone such as Poipet may be making the near-destitute invisible. None of these possibilities are considered in CARERE/Seila documents. The situation is much the same in Ethiopia, where the argument seems to have been that overall poverty is so extreme that segmentation would be a wasted exercise. Improve agricultural production in the ANRS area and this will reduce poverty by definition, runs the argument. Security in Ethiopia is more directly connected with access to

land, and arbitrary government-led land redistribution programmes have reduced farmers' willingness to invest in agricultural enterprise, thus counteracting potential positive impacts of the project. The role of drought and fears of falling into destitution on willingness to take loans and invest in higher risk agricultural methods has been noted, but not given strong or systematic attention in choice of agricultural research priorities. Enhanced analyses of these factors are essential to any understanding of poverty reduction. With regard to South Wollo, the project would not even have to conduct much of this analysis itself. It could make use of the vulnerability monitoring efforts of Save the Children, the ongoing Danish aid impact research in North Wollo, etc. In the case of Zambia, the EEOA is premised on the flow of ideas rather than goods. The target populations are clearly stratified, by location, articulacy and health status and yet the strategy for ensuring that new entrepreneurial skills flow from the initial nucleus groups to the remoter areas and to poorer potential entrepreneurs seems not to be based in any sociological, geographic or economic reality.

Once the poor are segmented in the ways suggested above, this facilitates a shift from blunt to more precise poverty-reduction instruments – i.e. from general impacts of efforts to support production, employment or consumption on the poor towards measures targeted to specific categories of poor people. For production-focused activity, these might include, for instance, (i) support for the development of processing or marketing arrangements for particular categories of product produced by the poor; (ii) for employment, support to activities relevant to, for instance, agricultural labourers unemployed during the off-season, and (iii) for the poorest, support to transfers most relevant to their needs, such as pensions for the elderly, feeding and education schemes for children, mobility support to the disabled and greater coherence between "development" and post-drought rehabilitation programming. "Targeting" is potentially attractive for these reasons, but also demanding in terms of capacities to identify defined categories and deliver to them. But even where the public administration is weakest, it should be possible to implement some of the simpler targeting arrangements (perhaps in collaboration with NGOs), such as feeding schemes for children, pensions for those above a certain age, or employment schemes operating on a self-selecting basis, as when, for instance, the minimum wage is paid, for which generally only the poorest among able-bodied will work.

3.1.7 Poverty, Sustainable Livelihoods and Rights-Based Approaches

The discussion above relates to the orthodox conceptualisations of poverty that prevailed around the time of preparation of the three projects considered here. Current conceptualisations of poverty suggest that the

choices of the past debate on poverty are still too narrow. For the next generation of ADPs to address poverty more fully, not only will they have to internalise more completely the conceptualisations of poverty outlined above, they will also have to be designed and implemented according to the newly emerging concepts of poverty. These include livelihoods and Rights-Based Approaches.

In brief, a Sustainable Livelihoods (SL) approach is an analytical device for coming to grips with the complexity of livelihoods and understanding where the most appropriate entry points and sequences of intervention might lie. The central proposition is that the poor are not helpless recipients of assistance, but have a number of capital assets at their disposal, on which they can draw in order to pursue a portfolio of livelihood strategies which meet multiple poverty-reducing objectives, including more income, stronger voice and reduced vulnerability. These capital assets include natural (e.g. natural resources), physical (e.g. roads), financial, human (i.e. skills and capabilities), social (i.e. mainly informal support networks), and, in the views of some (e.g. Baumann and Sinha, 2001), political. The objectives they pursue and the assets they draw upon (and in some cases, subsequently replenish) are selected partly through their own choice, but partly also through pressure of circumstances – they may be constrained by a particular household event, such as sickness or a funeral, for instance, or by more general conditions such as drought or flooding. Their choices are also influenced by the structures and processes (such as the roles of government or of the private sector; laws, cultural factors or social conventions) which people face. In aggregate, these conditions determine their access to assets and livelihood opportunities, and the way in which assets can be converted into outcomes. In operational terms, livelihoods approaches place the poor at the centre of analysis, and draw on the insights obtainable from different sectors and disciplines to identify entry points and sequences (see Appendix 2). They aim to stand above specific disciplinary or sectoral interests. In these ways, the *process* which livelihoods approaches offer of drawing specialists together to focus jointly on a single issue – how to address poverty – is as important as the *product* in terms of more appropriate interventions[4]. It also offers a way of choosing indicators for monitoring this process, and provides an alternative to the tendency (most notably shown in Ethiopia) to use the complexity of the process as a justification for not assessing progress in achieving policy objectives. The livelihoods approach particularly lends itself to:

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[4] It should be stressed that livelihoods approaches are intended to be participatory, engaging with local people in diagnosis of their opportunities and constraints, identifying options, and working with them to identify what should be monitored and how. These points are expanded upon in sections 4.1, 4.3 and 5.1 of Appendix 5.

- building capacity and shared visions within teams;

- relating these visions to those of other key stakeholders, including street level bureaucracies, Community Based Organisations (CBOs) and of course the poor themselves (i.e. developing a common narrative); and

- helping to prioritise interventions in ways which are integrated, yet selectively sequenced; in this way they take us beyond the "start everywhere at once" philosophy of Integrated Rural Development Programmes, but at the same time, lend themselves to the open agenda of ADPs.

In Rights-Based Approaches (RBA), rights are defined as "claims that have been legitimised by social structures and norms". They include civil and political rights (e.g., freedom of speech and of assembly; rights of women and children), and economic and social rights (e.g., rights to health, education, shelter, land and a livelihood). In idealised interpretations, rights are universal (i.e., they apply to everyone) and are indivisible (i.e., no one set of rights takes precedence over others). In practice, those pursuing RBAs tend to extract basic principles from human rights thinking – such as social inclusion, participation and the fulfilment of obligations – and apply them to institutional development. One principal concern is how "modern" rights might be defined, distributed across social groups, contested and implemented in relation to traditional rights; another is how far the state is prepared to protect and defend rights, especially those of poorer groups. For development agencies, the concern is not just with what rights people should be entitled to, but also with understanding whether people can claim the rights to which they are entitled, who might be preventing such claims and why, and how the capacity of groups to claim entitlements can be enhanced. Conway et al. (2002) give examples of the types of action that can strengthen people's ability to claim their rights, and sets out some of the strengths and weaknesses of livelihoods and Rights-Based Approaches.

Neither livelihoods-based nor Rights-Based Approaches are inconsistent with the conceptualisations of poverty outlined above: for instance, the emphasis in SL on capital assets can apply equally to those able to engage in productive activity and those unable to do so: for the former, categories such as natural or financial capital will be especially important; for the latter, more importance is likely to attach to social capital. The same applies to RBA: it does not invalidate earlier conceptualisations, but adds depth – for instance, the types of rights farmers do or do not have over resources such as land, trees and water influences their poverty status and the ways in which they are likely to respond to interventions. Whether the seasonally unemployed have a right to the provision of work by the state will in-

fluence both their own behaviour and that of the state. RBAs provide a way of highlighting and addressing the gaps between policy rhetoric and policy implementation. Furthermore, they suggest a different role for donors as (potential) allies of the claimants of such rights and as stakeholders who have a responsibility to encourage states to fulfil the duties that they have to their citizens. As such, it may add a new dimension to Sida's policies on ownership and partnership by suggesting the imperative of establishing a partnership with the poor themselves and not just the state.

SL approaches encourage closer attention to several facets of poverty than might have been given earlier. These include:

*   *The vulnerability context*: households and individuals are exposed to risk (the probability of which can be estimated) and uncertainty (the probability of which cannot). Both of these are *external* to the household or individual, whilst vulnerability reflects capacity to cope with risk or uncertainty and so is *internal*.

*   The *multidimensionality of poverty*: income is an important aspect of poverty, but poverty is not restricted to income – aspects such as security and voice are also important.

*   The fact that poor people have *assets* on which they draw in order to generate livelihood outcomes. Even the poorest are not helpless recipients of "handouts" – they have elements of social, human and physical capital on which they can draw.

*   The fact that, for poor people, the question of *access* is crucial, both in the narrow sense of access to assets which they do not own, and in the wider sense of access to the administrative machinery and to the entitlements provided by the state.

A rights-based approach particularly encourages consideration of power relations among individuals and groups, in particular, it is concerned with how poor people can contest and establish rights to resources or entitlements, how and how far government recognises and respects these, and who might be trying to prevent the poor from establishing or claiming their rights. In this respect it adds a stronger normative dimension to the analyses that are generated in SL, while explicitly relating an understanding of poor people's perspectives to legal, political and policy commitments. Appendix 3 summarises how SL approaches can be related to rights-based perspectives.

Though SL and RBA have been strongly promoted in recent years, the concepts are by no means new. They are aggregations of many underlying policy objectives and forms of analysis that have long existed. Though the ADPs reviewed were not designed with specific reference to RBA and SL, it is nonetheless worthwhile to review where there may be windows of opportunity for building on existing goals and methods. The projects' performance in relation to these criteria is, however, mixed: in general, project documents and their implementation have:

- Shown little appreciation of *vulnerability*, with only weak analysis of the major sources of risk and uncertainty facing different categories of poor people, or of how these are vulnerable to the conditions they face.

- Demonstrated close attention to issues of *voice* and *citizenship* as important dimensions of what needs to be done in order to reduce poverty: the strengthening of local bodies capable of making demands on the allocation of resources is central to the CARERE/Seila and ANRS/ SARDP programmes, and people's capacity to make proposals for individual investment priorities is central to EEOA.

- Tended to cover the *income* but not to consider the other types of *assets* which the poor own or can access, and how the capacity to draw on these might bear on poverty reduction (and how such capacity might be enhanced by Sida programmes).

- Tended not to consider questions of *access*, either narrowly to assets, or more widely to entitlements provided by government. There has been no systematic effort in any of the 3 projects seeking to identify and reduce obstacles preventing the poor from accessing resources and entitlements, though isolated examples can be found. These include making available information about new agricultural technologies in Zambia and Ethiopia. In Cambodia, strengthening of the village and commune-level capacity has enabled the local community to access diverse sources of funding for infrastructure in particular, although little attention was given to agriculture.

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In relation to Rights-Based Approaches, there has been very little discussion of power relations in the project documents. These are, of course, highly sensitive, and rather than offend partner governments it is easier to simply omit consideration. Project staff and indeed Sida officials have little incentive to analyse power relations and the impacts that these are having (or are likely to have) on the poor. Even if they are privately aware of the profound impact of power dynamics in project implementation, and the relationship between these dynamics to Sweden's development objectives, on a formal level they tend to portray development in technocratic terms. Bureaucrats in both Sweden and among Southern partners have often fallen into safe assumptions that development is about implementing plans, rather than addressing the issues of power that may make such plans inappropriate. There are few incentives in place to put down in writing their understanding and make this a basis for course-corrections, even though the resulting gaps between rhetoric and reality regarding concepts such as "participation" and "policy reform" are often vast.

In some cases, for example, in the ANRS/SARDP, the importance attached by consultants and national and Sida staff to their roles as simply implementing central government directives have made it difficult to stimulate a discussion of the meaning and potential of village level participation. Raising such issues has been seen as an indication of naivety, and a potential threat to the relationship among Sida, host country institutions and managing consultants. "Partnership" and the pursuit of "ownership" have (paradoxically) been used to justify a refusal to engage in policy dialogue on fundamental issues, when they could have been used as vehicles to develop the trust required before such a dialogue can begin on an open and genuine basis. In the Ethiopian case, tensions were apparent between the government's concepts of "rights" and what local people themselves perceived as necessary to pursue their livelihood strategies (Box 2). Zambia represents the most significant case in which internal project learning has shifted direction to encompass new understanding of local social relations and economic change (perhaps because the large measure of exclusion of the poorer sections of the population from direct project benefits was openly acknowledged). The Cambodian system of VDCs and CDCs seems to have been quite effective in delivering public goods that also benefit the poor; but as the example of Ratanakiri shows, there are no strategies in place to prevent élite capture by the dominant group. There is an absence of systematic approaches to "damage limitation" in respect of the poor, the minimisation of élite capture and reduction in actions preventing the poor from accessing resources and entitlements. Project documents did not indicate how design or implementation could be modified to deal with these.

The projects' approaches to voice and citizenship (including formal and informal arrangements for participation and governance) are uneven. The three ADPs reviewed here are situated in countries with extremely different approaches to freedom of speech and its perceived impact. Zambia has a history of a high degree of freedom of speech but a lack of government response, suggesting that speech is not "voice", and that benefits will only be generated when officials and politicians are listening. Within the limits of this context, the EEOA's efforts at "facilitation" are highly participatory. In Cambodia, emerging from a long period of suppression, citizens' opinions are taken more seriously and sometimes perceived as a threat by government. Nonetheless, a high proportion of interviewees asserted that their views were taken into consideration at VDC meetings and levels of satisfaction with resultant actions were high. In Ethiopia, the tradition of the command economy and hierarchical relationships at all levels of society remain strong and the instinct of beneficiaries to second-guess interviewers suggests that little has been done to encourage voice, and that citizenship is perceived more as a dependency relationship than as a positive bundle of entitlements.

An understanding of the impact of these factors on the relationships between Swedish development cooperation policies and those of national partners is particularly important in light of recent calls from the Parlia-

mentary Commission on Swedish Policy for Global Development (Glob-kom) for adoption of a rights based approach to development coopera-tion. It is important to ask if ADPs are viable vehicles for promoting rights based approaches. Can advocacy become part of partnership, with ADPs providing concrete examples and testing grounds for turning poli-cy commitments into practical action? Current evidence suggests that this has not been attempted, i.e., there is thus far no empirical evidence upon which to make judgement whether this is possible or not. This would seem to be a priority area for future analyses. If Globkom's recom-mendations are accepted, this could profoundly affect the future of ADPs. They may be perceived as examples of past approaches to aid, where islands of development were sealed off from broader development trajectories. On the other hand, ADPs could be transformed into an are-na whereby a (radically) new raison d'être for development cooperation is explored. Some countries would certainly object strongly to such an ap-proach (as they would for any genuine large-scale application of RBA), but it is just such choices by cooperating partners that Globkom calls for making more transparent.

Both livelihoods and Rights-Based Approaches can be used at different levels: in relation to broad socio-economic groupings; local communities, households and individuals. They therefore lend themselves to social and economic segregation of the kinds discussed above. Two further types of segregation are discussed here: one is that between men and women; a second is alluded to above, namely between those who can and who can-not engage in productive activity.

3.1.8 Distributing project benefits among those who can and cannot engage in productive activity

The discussion of conceptualisations of poverty above suggested that strategies to support the poor would need to be designed differently ac-cording to whether (and indeed when, with regard to households that are vulnerable to drought and other natural disasters) they could or could not engage in productive activity. For those who cannot, strategies focusing on reduction in the cost of staple food and redistribution of income (such as pensions, health and disability benefits, school feeding schemes, etc.) are likely to be more appropriate than those centred on the creation of employment opportunities or productive assets. In general terms, donors are much less likely to engage with redistributive structures than with pro-ductive opportunity, not least because redistributive measures are seen as long-term social security type transfers with recurrent costs that states may be unable to bear.

However, this does not mean that those unable to engage in productive activity have no prospect of benefiting from development assistance: one

mechanism mentioned above could be through reductions in the price of staple foods; another is through informal transfers within or across households between those engaging in productive activity and those who cannot. There is a third set of mechanisms which, although relatively well-known, are rarely practised explicitly. These are based on the possibility of combining social protection with productive interventions. The rationale for these is broadly as follows:

- Globally, the majority of rural poor are found in areas weakly integrated into markets; conventional growth promoting strategies, which typically rely on good access to markets and communications, therefore tend to work poorly for them.

- Appropriate growth strategies require a clear understanding of the labour economy (local, commuting and migratory) and a driving criterion would be that of increasing returns to labour (as a higher priority than, for instance, returns to land) in ways consistent with overall expansion of the volume of employment.

- What is important is not simply average returns to labour and volumes of employment, but also variability within and across agricultural seasons – hence the importance also of reducing variability by devising appropriate forms of economic activity during slack seasons and in response to drought, etc.

- What is also important are efforts to reduce risk and uncertainty in Natural Resources (NR)-based production, such as the uncertainty facing rainfed crop production in semi-arid areas.

- Those unable to engage in productive activity are the most vulnerable in the face of seasonal fluctuations or unpredictable "shocks": when incomes among those who *are* able to engage in productive activity are enhanced and stabilised in these ways, informal resource flows within and among households to those unable to engage in productive activity are likely to be sustained and possibly increased. However, knowledge on the volume and distribution of these flows, and the factors driving them, remains weak, and needs to be consolidated.

- Even those unable to engage directly in productive activity might benefit from sharing in newly-created productive assets. These can be broadly of two types: societal and individual. Societal assets include, for instance, rehabilitated microwatersheds: if these allow NR-based productivity to rise and to become more stable, the destitute might benefit indirectly from enhanced informal resource flows; they might also benefit directly from greater possibilities of gathering and selling resources such as fodder, fuelwood or non-timber forest products from the commons. Individual assets include, for instance, trees, and even

the near-destitute can be granted rights to these, allowing them to sell the asset at times of financial crisis such as sickness or funerals.

A fuller presentation of the rationale for combining growth-focused with social protection initiatives is given in Appendix 4.

A distinctive feature of all three projects, and almost certainly many other ADPs, is their failure to make use of existing social capital. Anthropology is not much in fashion in development. Review of existing ethnographic monographs or making cursory investigations into the form and functions of existing community based organisations (CBOs) seems to play almost no role in project design. Pagoda committees in Cambodia and the many forms of faith-based mutual help associations in Ethiopia are not considered even in theory as constituting "project stakeholders" and have played no role in practice. As a consequence, the usual strategy has been to try and build secular groupings that have many of the same features but without the religious associations so problematic for secular rational humanists. This seems misguided, if only because these existing CBOs not only build on high levels of social capital but also share many goals with the projects. A lead might be taken from international NGOs, which have developed strategies for working with existing CBOs in many countries.

The three projects reviewed here have in general gone only a little way towards combining growth and social protection initiatives. EEOA in Zambia has virtually excluded all types of social protection activities by design. Similarly, the failure to link the potential problem of land sales with increased growth in Cambodia may actually have worked against the socially excluded. It is interesting to note that the pagoda committees in Cambodia which were not incorporated into project design have a comprehensive strategy for those in need of social protection, albeit not run along lines that appeal to development planners. SARDP has recently begun to consider some issues relevant to social protection in its second phase, particularly support for health institutions working with HIV/AIDS sufferers. But these have yet to be implemented.

3.2 Gender mainstreaming

The cornerstones of Sida policy on gender have been summarised in "Evaluating Gender Equality – Policy and Practice" (Peck, 1998) as:

- the recognition of gender equality as a *societal issue* where focus must be placed on men and women and the relationships between them;

- the parliamentary resolution making equality between men and women in partner countries an official *objective* of Swedish development cooperation as from May 1996;

- the strategy of *mainstreaming*, i.e., "the recognition of the need to influence all methodologies, analysis, policies and planning from a gender perspective".

Broadly, this seeks to promote equality of treatment and opportunity between the sexes, consistent with whatever windows of opportunity are available within local norms and traditions, and based on the recognition that women generally have to combine productive and reproductive roles and, in relation to economic activity, may have different objectives, opportunities and constraints than men. Their requirements for support through development assistance may therefore differ. The "mainstreaming" of gender seeks to draw attention to these potential differences throughout project design, implementation, monitoring and course-corrections.

An important question for this study is, therefore, how far the three projects reflect the differing needs and opportunities of women in their design and implementation. In particular, how far has Sida gender policy led to attitudinal change among Sida, consultants and national project partners, and how far has it been reflected in project institutions and procedures? It is fairly remarkable that none of the project documents seriously consider gender as an issue. It is instead relegated as a line item or minor component. With no analysis of the socio-economic relations between the sexes and no baseline, any results are determined more by ideological preconceptions than any grounded reality. Of all the projects, EEOA is the one which focused most directly on women, promoting a

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household approach and giving preferential support to women's groups. But the initial assumptions did not fully analyse gender roles or the intersection of power with gender. In other words, for example, if you support households that are literate, relatively wealthy and perhaps already informally engaged in trade, you may simply increase the economic inequalities in a region and provide no trickle-down benefits for poorer or excluded women. It was difficult to identify *any* concrete actions in Ethiopia that seemed to address gender inequality. The project's gender component was very weak, and was blatantly ignored and scorned by key stakeholders in the main project components, i.e., a classic example of mainstreaming dissolving into "menstreaming". Pressure to include women in committees in Cambodia has certainly increased their voice in the local power hierarchies, although in practice economic growth and women's enhanced capacity to benefit from it may have been just as influential in meeting women's needs.

Box 3. Limited perceptions of gender-based opportunities and constraints in Ethiopia

Gender mainstreaming in SARDP has not yet managed to encompass real issues and cases. Basically it seems that gender issues are not really understood. Female participation is recorded and reported from meetings and planning events, but beyond that level of awareness few efforts are found.

Project strategies and activities build on general assumptions more than real client consultations. Rural credit and promotion of economic diversification was assumed to support vulnerable groups and women through the Woreda Development Fund. The *woredas* now openly admit their failure in this type of targeting. There is more to learn for planners. Social values sometimes make it difficult for both men and women to take on wage labour or trade as this implies a loss of rank and position in society, and Muslim women are traditionally not expected to deal with business. Recognition of gender roles and gender stereotypes in rural society remains a largely unaddressed challenge on the SARDP agenda.

Chapter 4

Analysis of Major Themes across the Case Studies: Learning, Capacity Building, Integration and Sustainability

These four dimensions of development cooperation are considered by Sida to be of primary importance to sustainable poverty reduction. Our earlier presentation of perceptions of poverty and approaches to poverty reduction leads into discussion of these four dimensions. Perceptions and practice in relation to these three need to be clarified prior to subsequent discussion of sustainability.

The four concepts stand in a complex relationship to each other, in respect of both their scope and of links among them. Thus:

- Learning can be conceptualised in at least three different dimensions:
  - within projects themselves;
  - across projects, over either space or time;
  - between projects and partner countries, especially where the project has a "piloting" or model development purpose.

- Capacity building can embrace:
  - imparting specific skills to individuals (this lies largely outside the mandate of the study and is considered only fleetingly here);
  - developing new institutions or organisations within project areas, or strengthening existing ones;
  - developing the capacity of governments or private sector agencies to integrate the lessons of projects into wider practice.

- Integration can be viewed in several ways:
  - integration within an ADP across activities rooted in specific sectors or sub-sectors – as, for instance, integrated rural development projects sought to break down "compartmentalisation" between different government departments (again, this lies outside the main purpose of the study and is considered only briefly);
  - integration between the ADP and government processes and

structures at several levels, ranging from high-level policy making to practical implementation arrangements.

- Sustainability embraces several components, including:
  - environmental;
  - economic;
  - institutional – including questions of whether the institutions created within project areas can be sustained, and of whether the approaches piloted by ADPs can be integrated into the wider practices of government and private sector in sustainable ways.

These four spheres resemble partly overlapping circles – at least one component of each (generally, the last presented above *within* each) – relates also to the others, but other components are largely unrelated. Our concern in what follows is largely with these final components. Sequences are also important: integration of "models" from ADPs cannot take place until both appropriate learning and capacity have been developed, and whether such integration can be institutionally sustainable can be verified only after integration has been initiated. An ADP with a strong mandate to "pilot" models and approaches must also position itself very carefully in relation to questions of integration. It needs to build upon the government's underlying policy positions and the processes, norms and guidelines by which it decides on and implements priorities for e.g. public investment, service provision, and facilitation and regulation of the private sector. It needs to target interventions on governmental structures that welcome innovation and remain cognisant of those which are fixed, which (as is explained below) will allow it then to pilot approaches that are innovative, but fall within the realms of what government can itself feasibly replicate. At the same time, an ADP needs to stand outside government in order to foster critical reflection on conventional procedures and norms – if fully "integrated", its scope to innovate may be stifled.

4.1 Learning and capacity building

Three types of learning are considered:

- *Within-project learning* – i.e. the capacity of project staff to manage an iterative process of assembling key information on important facets of project performance, analyse this information, drawing out the implications for necessary course corrections, and making such corrections successfully

- *Across-project learning* – i.e. the capacity of a project both to absorb relevant lessons from earlier projects, and to influence the design of new projects by bringing its own lessons to bear.

- *Learning among partners* – i.e. the capacity of a project to engage national

partners in reflecting on project experience, and using these lessons both to inform their concepts of development, and to strengthen their performance in relation to project design and management elsewhere. This dimension of learning is related to the development of models or approaches within ADPs that might then be integrated into government procedures, and so merits particular attention. A series of generic obstacles to organisational learning is presented in section 4.1 of Appendix 5.

Capacity building is considered at the levels of:

- imparting specific skills to individuals (this lies largely outside the mandate of the study and is considered only fleetingly here);

- developing new institutions or organisations within project areas, or strengthening existing ones;

- developing the capacity of governments or private sector agencies to integrate the lessons of projects into wider practice.

Each of these is now considered in turn against the evidence from the three projects studied, and this section concludes with a number of general observations on learning and capacity building.

4.1.1 Within-project learning and capacity building

This has progressed unevenly across the projects: the EEOA is characterised by a clearly structured approach to learning: project staff meet periodically to consider reports on aspects of project performance and design course corrections in response. The Permanent Advisory Group (PAG) missions for CARERE/Seila, despite being commissioned by and reporting to Sida, were very important in responsive corrections at higher levels even outside Sida. The limited success in establishing an M&E system for LDF expenditures at the local level suggest that within-project learning remains problematic further down the chain. By contrast, the ANRS/ SARDP was plagued by defensiveness toward outside critique, a tendency to follow central directives and lack of visionary thinking. Within-project learning was not actively encouraged. In all cases, arrangements for monitoring and evaluation have suffered from two tendencies. One is to prepare limited terms of reference for review teams which discourage them from asking fundamental questions such as how adequately poverty is conceptualised in the projects, and what shortcomings of design and implementation are likely to result from inadequate conceptualisations (in Ethiopia, the Swedish Embassy specifically asked that additional ToR be withdrawn when Sida Stockholm requested that a PAG team look at these questions). The second is that all projects suffer from inadequate economic, social and environmental baseline data, which means that M&E is in-

evitably impressionistic. Adequate financial resources, combined with appropriate skills in e.g., economic and statistical spheres, need to be allocated early in the life of a project in order to generate appropriate baseline data. To attribute change in quantifiable ways to project intervention is inevitably difficult, especially where the counterfactual is highly dynamic, as in the Cambodia case; but without appropriate baselines it is impossible. Where adequate baselines permit careful quantitative and qualitative assessment of performance, this can, ideally, be compared with the types of change specified in formal project proposals. Unfortunately however, project proposals in all three cases are characterised by vague specifications of anticipated outputs and their relations to goals and objectives. Applications of logical framework approaches are weak. Perhaps the clearest proposal is the EEOA, which has set out in numerical terms the outputs it hopes to achieve at every stage. By contrast, the ANRS/SARDP is by far the most vague. The failure to specify a coherent set of objectives and to define the relationship between outputs, outcomes and objectives means that in many respects SARDP amounts to a form of general budgetary support to the government. There is a strong case for tightening up the specification of anticipated outputs and outcomes in project proposals[5].

In terms of capacity building, all three projects have performed strongly at the "within-project" level. CARERE/Seila has helped to create new, participatory local investment planning bodies at a time of institutional fluidity in Cambodia. Capacity building in the *woredas* in ANRS/SARDP has aspired towards similar objectives. Front-line service providers, in particular the Development Agents, have also been trained, but feedback is needed on the effectiveness of this capacity building – the question of how far they influence people's livelihood options and how and how far they respond to the expressed needs of their clients urgently requires close assessment. EEOA seeks to build capacity among farmers and entrepreneurs in the expectation that they will eventually form a "critical mass", raising local economic activity to new levels. It has also supported capacity building within the MBT.

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[5] Ideally, impacts should be evaluated, but may not come into effect for many years, by which time causality will be exceptionally difficult to attribute. A more modest but important objective is to specify and assess outcomes, which should come into effect within a few years of the delivery of outputs. These issues are treated further in sections 4.1 and 4.3 of Appendix 5.

4.1.2 Learning across projects

Cross-visits among projects, structured on issues of generic importance, would provide one means of enhancing learning of this kind, but have rarely been undertaken. In general, there has been little effort to learn from earlier projects or to make experiences from current projects available more widely. Indeed, even learning between Cambodia and Ethiopia, where the LDF and WDFs are apparently very similar in structure and more generally drawing on the experience of United Nations Capital Development Fund (UNCDF), is not reflected in project documents. There is also an unmet potential of promoting greater learning by visits to ADPs financed by other donors and innovative initiatives that are occurring without donor funding within country. Such visits could help to anchor learning better among partners, as described below.

4.1.3 Learning and capacity building among partners

This is the arena in which learning and capacity building converge with the broader objective of achieving integration of models or approaches into government or private agencies in partner countries. Integration is treated fully below (section 4.2) and so is not discussed in detail here. What is important in the present context is to identify how learning and capacity building can be addressed *strategically* within projects. This involves:

- identifying major constraints and opportunities for development within project areas in respect of government, private commercial and civil society roles;

- identifying the same more widely for similar areas beyond the project area;

- identifying the major gaps or weaknesses in government policy and practice in relation to poverty reduction;

- identifying which of a wide range of project activities are the most appropriate as a focus for learning and capacity building;

- identifying the broad opportunities arising from within projects for Swedish development cooperation to support government in improving policy and practice in relation to poverty reduction;

- striking a balance between the roles of service delivery and learning within projects.

This last point is particularly important for many ADPs, since few are given the sole mandate of developing models or approaches for learning. It is clear that ADPs are under two kinds of pressure that might deflect attention away from learning. One is pressure from Sida itself towards achieving high levels of aid disbursement (the "pressure to spend") which, for projects, invariably translates into capital investment and service delivery functions. There is also a desire to see genuine "impact", in terms of wealth generation, in a short period, which can best be achieved by a transfer of resources (subsidised by the project) directly to the chosen beneficiaries. The second is that host governments – perhaps particularly so at local government level – also expect to see concrete outputs on the ground from project activity. This is a political imperative, as aid largesse to some extent inevitably feeds patron-client relations. Again, this generally translates into pressures towards capital investments and service delivery. In both of these cases, any project mandate towards learning must be constantly justified and defended in the face of pressures towards direct resource transfers and service delivery. That said, a certain degree of concrete benefits is essential for obtaining ownership and credibility, both among host institutions and among villagers themselves. Participation has a cost that both bureaucrats and farmers will inevitably weigh against the direct benefits that they expect to receive.

There are at least two ways in which project managers and Sida can defend the role of learning within projects. One is for them to give explicit priority to the most important areas of learning in relation to the often wide array of activities undertaken by a project. Such prioritisation will be influenced by the criteria listed at the beginning of this section. The second is for agreement to be reached and implemented to the effect that a specific proportion of project resources should be allocated to *documenting* learning and capacity building. This could be done either internally (or, perhaps preferably) by outside consultants. In all events, it should figure in the project logframe. Depending on the characteristics of individual projects, this might reasonably be approximately 1% of overall project budget. This measure should help to ensure that project managers have something ready to be documented, and will enhance learning across projects.

Success in learning and capacity building along the criteria discussed above is most marked in Cambodia, where the approach to local-level planning of public investments has involved clear prioritisation, systematic capacity building at local level, and frequent review and internal lesson learning. The project's approach has attracted the attention of a wide variety of donors and has generated positive response in government, to the extent that the approach is favoured for future adoption across all provinces.

4.1.4 General observations

Learning and staff turnover

Where the turnover of project staff is high, learning will be characterised by a high proportion of "repeat" cycles in which the same basic lessons have to be re-learned by each new staff member. There will be little opportunity for learning to progress to higher levels, or to take on anything other than routine issues. There is no doubt that that one reason for the comparative success of CARERE/Seila is the relative stability of Phnom Penh and provincial staff over the life of the project. Whether their insights are written down or not, their informal knowledge has contributed strongly to project success.

Reasonable continuity of project staffing is therefore a prerequisite for all but the most basic forms and levels of learning. Sida generally has little control over the period for which national staff work with the projects which it funds. In some cases, it is affected by higher turnover of national staff than other donors' ADPs due to Sida's steadfast (and well justified) policy of refusing to finance salary enhancements. However, Sida ought to have much stronger control over the duration of attachments by its own staff to projects, whether in-country or as desk officers at Sida headquarters. Unfortunately, such control as Sida might have appears to be little exercised: although field staffing shows some continuity, there is frequent turnover of staff in the geographical and sectoral departments in headquarters responsible for the projects. This is likely to impede the application of learning into the tasks for which such staff are responsible, such as the preparation of terms of reference for monitoring and evaluation, and for the preparation of new, similar projects[6]. One way of overcoming this barrier to institutional learning would be to ensure that an institutional "memory" and capability for learning is maintained either in a "think tank" within Sida, or in an appropriate ex-

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[6] The findings of a comprehensive report by the Swedish National Audit Office (RRV, 1988) on organisational learning in Sida are summarised in section 4.2 of Appendix 5.

ternal organisation[7]. Some of Globkom's proposals point in similar directions.

Learning and participation

A related point is that much learning can be stimulated by local people's participation – and by the use of their own criteria – in monitoring. When local perceptions of development clash with project models, the disjuncture may inspire a creative reassessment of basic project assumptions. However, for its success this depends on the engagement of local people from the earliest planning stages and a gradual evolution of their engagement as the project progresses. If local people are to expect and even to demand learning from the bureaucracies that are serving them, they must also perceive themselves to be "partners" and "owners" of the project. Section 4.1 of Appendix 5 discusses these kinds of participation in more detail.

Bringing together different types of knowledge

The emphasis in the Cambodia and Ethiopia cases is strongly on community-based planning. Whilst participatory planning of this kind has great merit, one of its shortcomings is that local people can generally draw on only a limited sphere of experience in order to formulate forward plans. "Outside" information should be brought in to broaden the range of possibilities which might be drawn upon, but some sensitivity is required if local ownership of ideas and processes is not to be usurped. The process whereby the CDC in Cambodia integrated village plans was reasonably successful, since more information was available about the wider context of national planning as well as a more insightful view of the potential for cross-border trade, for example. Village-level interviewees in the Ethiopia case reported difficulty on several occasions, whereby local plans were modified without consultation and thus resulted in the inclusion of several standard lines of intervention from central government. A *woreda* council may, for example, have a genuine need for new offices, but to accept claims that this village identified this type of investment as a priority for use of WDF resources suggests that empowerment objectives are not consistently followed. Sida is in a position to resist inappropriate intervention of this kind, and should clearly do so if democratisation objectives are to be reflected in ADP planning processes. A related question is whether higher-level investments in capacity building (e.g., in the Ethiopian case, agricultural research) have been integrated into the knowledge systems at

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[7] This could only work if tight conditions were met: Sida would have to support the organisation long-term so that it would not have to have vested interests in winning tenders related to the projects – a situation requiring considerable inventiveness where, as at present, the climate is dominated by a philosophy of tendering.

the local level at, for example, the extension-farmer interface. In Cambodia, the situation is strikingly different since much of the change in the field is driven by innovations coming from Thailand, in terms of crops (beans, maize), varieties (rice), irrigation technology and machinery (the *kuyong*). Cambodia is actually piggybacking on agricultural research conducted by its neighbour. Some small-scale research, such as improvements in pig-keeping, has been disseminated via CARERE/Seila facilitation, but on the whole, investments in this type of capacity building have yet to bear fruit.

Phasing, priorities and sequences

One of the longstanding critiques of Integrated Rural Development Programmes (IRDPs) is that they sought to provide investment and services simultaneously across a wide range of sectors and sub-sectors, so that management and implementation skills were strained and some lack of coherence resulted. Whilst EEOA has a tightly-defined mandate, the other two projects reviewed are broader in scope and scale, and there is some evidence that too much has been attempted simultaneously. This particularly true in Ethiopia, where the extraordinary range of activities (not unlike a traditional IRDP, but with perhaps less emphasis on "integration" across sectoral initiatives) makes detailed monitoring, follow-up and structured cross-sectoral learning virtually impossible. Considerable investment in ANRS/SARDP planning infrastructure and human resources has as yet yielded little visible benefit in this regard. In Cambodia, training activities probably suffered from lack of focus and certainly an absence of uniform application, suggesting they could not easily be managed within the more concrete frame of service delivery. Pressure from government plays a role here, as it would like to demonstrate its readiness to provide broad measures of support to rural people. As discussed above, if projects are to take on more of a livelihoods approach, they will need to focus on entry points and sequences, beginning in a limited way and building up to larger support once people's responses to early initiatives have proven positive and appropriate (e.g., that they have not been dominated by lites). This has implications for budgeting processes, requiring much more flexibility across financial years, to defer or bring forward expenditure, than is usually permitted by donor or government budgetary processes.

Learning versus service delivery: how to handle the tensions?

Much of the above discussion is premised on a dichotomised view that projects are primarily designed *either* to deliver services as rapidly and effectively as possible in order to enhance livelihoods, *or* to prioritise learning and capacity building and so promote wider replication by government. It was argued that the tensions that this creates are best handled by careful prioritisation of areas on which "learning" needs to be built, with

some earmarking of a set proportion of project budgets for learning and capacity building. However, evidence from the projects suggests that this dichotomy is in any case less acute than might be supposed. Evidence from Cambodia, for instance, suggests that funds made available to community-based organisations are used to contract in private agencies for service delivery in relation to infrastructure *and* the running of training courses. The fact that these funds are managed by the community has the added advantage of enhancing the accountability dimension of the transaction and stimulating learning at grassroots levels. Similarly, the provision of training courses in Zambia by EEOA has elements of both; in one sense courses set up and funded by the project *are* a service being delivered to the potential entrepreneurs. But the subtext of the courses is building individual and local capacity. EEOA takes a more nuanced view than most projects of capacity building and integration, with a clear intention of working itself out of a job (Box 7). In SARDP the expenditure of funds at *woreda* level has been hailed as evidence of decentralised learning. Though we suggest that the quality of the services that this expenditure generates deserves far more attention, this "learning to spend money" is nonetheless a significant step forward in the face of traditions of hierarchical and centralised state power in Ethiopia.

4.2 Integration

As suggested at the beginning of section 4, integration can be viewed in several ways:

- integration within an ADP across activities rooted in specific sectors or sub-sectors – as, for instance, integrated rural development projects sought to break down "compartmentalisation" between different government departments (this lies outside the main purpose of the study and is considered only briefly);

- integration between the ADP and government or private sector processes at several levels, ranging from high-level policy making to practical implementation arrangements.

Focusing on this second point, two questions are addressed here: one concerns the fundamentals of partnership and ownership of development initiatives; the second concerns arrangements for replication and spread of ADP approaches. Further sections examine in more detail issues of integration in relation to the private sector (4.3) and linkages with high-level policy processes, especially PRSPs (4.4). The relationship between integration and sustainability is explored in section 4.5. Integration in ADPs and in development cooperation more generally is a means to achieve a number of broader goals, including ownership by host institutions and creating an enabling environment for learning. The lessons of an ADP

will be viewed as more relevant by bureaucrats and service providers if they can relate new models to their existing structures and procedures. Integration also carries with it a danger of stifling innovation if project inputs are so closely based on existing procedures that they are merely viewed as extra-budgetary support for "business as usual".

Ownership, partnership and conditionality

Integration is a means for promoting ownership and partnership, objectives that are sometimes juxtaposed against the widespread use of conditionality in promoting systemic change. Sida has gained international recognition for its emphasis on partnership as a mode of collaboration in development, in preference to conventional development assistance modalities, and a number of "partner" countries have been identified, including the three studied here. The concept of partnership adds sensitivity to questions of conditionality – and conditionality is already recognised as a concept which is difficult to apply for a multitude of reasons, including the fungibility of much development support, the budgetary complexities of stopping international flows of funds indefinitely, and the ease with which any effort to impose conditionality can be associated with northern dominance (cf. Molund, 2000; White, 1999; Swedish Ministry of Foreign Affairs, 1997).

Understandably, Sida has been reluctant to engage in conditionality in relating EEOA, CARERE/Seila and SARDP to other policy discussions, and instead has emphasised the importance of ownership of the projects by national (and local) governments[8]. The three projects demonstrate three different forms of success in this regard. Cambodia has taken on a surprisingly strong degree of ownership in a post-war context of very weak governmental capacity and overwhelming dominance of aid flows over domestically generated resources. Problems exist, but progress has been good. Zambia suggests a more mixed picture. The implementing agency has a strong sense of ownership despite (or perhaps due to) weak links to government. Projections that ownership can be transferred to government and the Micro-Bankers' Trust appear rather optimistic. Ethiopia is the strongest example of ownership, with the Amhara Region political structure clearly dominating prioritisation and defining modalities for the programme.

Ownership, within Sida, is largely project focused, with a consequent lack of clarity regarding the relationship between such projects and the policy dialogue. Molund writes of Sida's approach to ownership: "The first and foremost of the donor's tasks is to make sure that aid funds are not wasted

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[8] Concepts of ownership and partnership as they apply to the rather different contexts of monitoring and evaluation are discussed in section 3 of Appendix 5.

on bad projects." (Molund, 2000: 2). Any eventual policy related dialogue (or even conditionality) is relegated to the broader arena of "partnership". Even partnership, as Molund describes it, involves a "subordination" of external assistance to domestic policies and priorities. It provides little guidance as to where, how (or even if) a donor has a legitimate role in striving to influence national or local policies. This effectively limits Sida to a technocratic role of a monitor of project implementation rather than as a stakeholder in a broader learning process beyond the project boundary. As a "non-stakeholder", Sida's role is seen as primarily ensuring that projects are integrated at the outset in the structures and procedures of partner countries.

These perceptions of ownership and partnership may therefore inadvertently be significant contributing factors to the failure to utilise ADPs as part of the broader development cooperation discourse. Whereas in the past Swedish stress on partnership was justified as a way to increase donor coordination through subordination to host institutions, it now sometimes manifests itself as an obstacle, since it may absolve Sida itself of the responsibility of joining broader donor dialogue. The role of projects is coming under increasing scrutiny. In the long-term this may lead to ADPs – despite greater ownership – nonetheless being viewed as anachronistic structures used to bypass the new emerging aid architecture where the donor "stake" in governmental policy reform is becoming more transparent. As international interest shifts to more global perspectives, the narrower bilateral and project oriented focus of Swedish ADPs will gradually come more into question. The integration of project learning into central government thinking in Cambodia shows that project focus is not necessarily incompatible with these wider issues. This ADP has become a vehicle for promoting coordination between donors and governments. By contrast, in Ethiopia the application of lessons from SARDP in donor coordination and policy engagement was often seen as purely a government responsibility. This exemplifies how partnership may inadvertently isolate an ADP from policy discussions with other stakeholders.

Box 5. Integration with government and the donor community

CARERE began as an ADP but is now developing into a national programme of a more sectoral kind. From 1998, the creation of the Seila Task Force (STF), a grouping that encompasses various arms of government, has gradually taken over most of the functions of CARERE and its successor PLG. Seila has moved away from reliance on a few donors to a multi-donor platform with direct commitment from the Government ensuring its sustainability. In addition, various donors have signed up to using the Seila structures for local projects. Seila is being "scaled-up" and is expected to go national by 2005. Integration of this calibre is frequently proposed in project documents but all too rarely achieved.

Widmalm (1999) suggests that partnership should be perceived as representing relationships with a considerably broader series of possible stakeholders, including:

- political élite/central government;
- state institutions/ public administration;
- commercial actors;
- civil society;
- family and non-organised individuals.

Using this framework, EEOA can be seen to have developed a partnership with commercial actors and families or non-organised individuals. CARERE/Seila has made progress in developing a partnership with the political élite and central government, state institutions or public administration and to some extent with families or non-organised actors. SARDP has focused almost entirely on state institutions/public administration (although given the size of the Amhara Region and the nature of Ethiopia's federal system the regional government could be perceived of as almost constituting a "central government"). What is notable in this classification is the failure to develop partnerships with civil society. In bypassing civil society, goals of popular participation, democratisation and in some respects sustainability may not be achieved as there is little development of measures to promote downward accountability. Individuals are inherently weak in presenting demands to the state. Civil society is an essential component of more genuine participatory processes.

Partially drawing on such concepts, an argument can be made that partner countries have made certain international commitments to human rights objectives, and that Sida has a due responsibility to ensure that projects are nested in these higher level commitments, even if this means pointing out deficiencies in national and local priorities. Sida itself must be held to account if it fails to take a strong stance in ensuring that its partners use Swedish aid resources in a manner that conforms to basic commitments to human rights. This form of partnership (and in some respects conditionality) is effectively what Globkom suggests, and may become a key strategy in countries with a lukewarm commitment to poverty alleviation and local empowerment. Older Swedish views of partnership and ownership were essentially relativist. In the past, if Sweden had made a commitment to partnership with a given country, it was then expected to keep out of that country's domestic policy debate. The international discourse has moved on to more globalistic and pluralistic perspectives, where different values and trajectories are respected, but where an active and ongoing engagement in the promotion of more universal values is no longer seen to be at odds with partnership. The programme in ANRS/SARDP exemplifies the older form of partnership, as is not sur-

prising given its origin in the "Partnership Africa" discussions of the early 1990s. CARERE/Seila represents an effort to redefine partnership within the new aid architecture, despite a problematic PRS process. EEOA, as a bypass project, has essentially sidestepped the issue, and is as such something of an anomaly in Swedish development cooperation.

Spreading models, lessons and approaches

The principal justification for ADPs historically has been to enhance the livelihoods of people, especially the poor, living in the mandated areas, and to do so in ways that have potential for wider replication by relevant in-country agencies, usually governmental. There are a number of pre-requisites for this second condition to be achieved:

First, the external agency has to make specific efforts to understand the procedures of partners, particularly where they impinge on the production and potential replication of project "models". In some cases (such as EEOA) these are mainly private sector organisations, but more generally are governmental – as, for instance, in public administration (public investment, service delivery, contracting, budgeting and financial management, and so on), management of the private sector (contract law, competition law, tendering procedures, regulation, taxation and tax concessions and so on) and the constitutional provisions and their implementation in respect of local government (the division of responsibilities between central and local government, procedures for financial allocation and for the raising of local tax revenues, and so on). The same may be said of civil society, though, as mentioned above, this dimension of partnership has not featured in the projects under review. Sida must understand which of these provisions can easily be modified by government and which cannot, bearing in mind often hidden policy imperatives which mean that outsiders commonly *over*estimate the flexibility that government might have in making changes. For instance, civil service employment policy in many countries means that it is virtually impossible to dismiss staff or to "downsize", or in some cases to privatise certain types of service provision. An additional related set of factors is the historical and cultural traditions regarding the role of the state and civil society, including deep seated assumptions regarding "proper" hierarchical relationships within the bureaucracy, and the nature of the "social contract" that exists between the state and its citizens.

This is not to suggest adopting a relativist stance on these factors. The objective must be to combine pragmatism and creative flexibility with consistent vision (admittedly a difficult process). External agencies need this detailed knowledge in order to design ADPs which mirror government procedures in *most* respects. The difference is that they will innovate in certain procedures (i.e., those that government *can* easily change) in order

to be able to demonstrate at the end of, say, five years, what the benefits will be of modifying those procedures in one way or another. It is very easy for the ADP to fall into two types of trap: one is that commonly found among NGOs in which large volumes of resources are allocated to a small number of villages to permit levels of participation far in excess of what government could hope to achieve on a wide scale. The second is to be driven by the first part of ADPs' mandates mentioned above – i.e., to improve the livelihoods of the poor in their designated areas – to such a degree that all sight is lost of the need to keep service delivery mechanisms at levels of sophistication and cost that government can afford. Where government service delivery is exceptionally weak, there is some justification for concentrating on a broad though difficult livelihoods mandate, and in so doing put replication on the back burner. But even then, the temptation to design Rolls Royce service delivery mechanisms should be resisted when government can only afford a moped.

Second, the external agency should ensure not only that the project or programme is planned carefully along these lines, but also that provision is planned into projects to allow close engagement with government as the delivery processes evolve. Interaction with experienced, independent-minded government staff who have no axe to grind (at least one recently retired official can often effectively be brought onto project or M&E teams) is potentially useful at intermediate stages, since they can often comment on the direction that service delivery design is taking in relation to its ultimate adoptability by government.

Project experience is highly uneven in these respects. The EEOA is rather unique in that the different entities initiated through project support become part of the private and public sectors. These include the businesses, outgrower schemes, the Micro-Bankers Trust, and parts of government. EEOA has a very clear vision of how "spread" effects should be generated (Box 6), but both government and the MBT are very short of resources at present, and the Zambian economy is deteriorating fast. This would make the rapid spread of project approaches from virtually *any* project unlikely at present. Much of the EEOA approach appears in many respects to be sound, and under more favourable macro-conditions, one might see the approach spread rapidly. The transition from CARERE to Seila has placed the methods of the ADP at the heart of government; the main challenge is probably intra-agency rivalry. Similarly, SARDP is within government, providing a significant prospect of gradual shift of financial flows to domestic resources, but the failure of discussions regarding an exit strategy from project-supported *woredas* has demonstrated that major concerns remain.

4.3 Integration and the role of the private sector

Many of the preconditions for successful management of the role of the private sector have been discussed in earlier sections. They include:

- appropriate conceptualisation of the respective roles of public and private sector, and adequate commitment and implementation procedures for delivering public goods (which the private sector will not), and for correcting market failure through enabling and regulatory actions, and (where market failure is acute) for the public sector to act temporarily in its place as investor and deliverer of services, possibly with the introduction of such private sector practices as cost recovery;

- increased efforts to close the gap between rhetoric and reality in government's treatment of the private sector.

Conditions which have not been discussed earlier include those pertaining to the wider context of macroeconomic and political stability, which are relevant not just to management of the private sector, but also to economic and social development in the round.

The issue of government rhetoric is the most difficult, since it is politically problematic for donors simply to disbelieve government's stated policies even when there is considerable evidence that this would be an appropriate assessment. In Cambodia, at least, government commitment to the free market is sincere, indeed the anarchic logging and virtually un-

constrained flow of antiquities out of the country suggests that greater regulation would be desirable. Generally, though, the vibrant private sector has benefited both rural and urban sectors and this is likely to continue. Ethiopia and Zambia are both historically command economies and are still run by senior officials who are either emotionally attached to centralised economic planning or are unaware of the impact that their policies and procedures (which are generally rooted in past assumptions about the roles of the state and private sector) are having on the climate for private investment. Statements concerning the private sector are rarely translated into action on the ground, and sometimes appear to be donor-driven. Government actions often undermine market liberalisation, as is shown all too clearly by unrepaid Zambian fertiliser loans and by the incapacity of the Ethiopian public sector to influence grain markets or stimulate diversification (Boxes 8 and 9).

Box 8. Ethiopia: public sector inadequacies in grain market intervention and support for diversification

During the planning of the support programme in ANRS, concerns were repeatedly raised regarding the costs and benefits of intensified crop production in surplus areas. Today a failure by Ethiopian Grain Trading Enterprise to intervene and stabilise grain prices, together with input supply credit repayment obligations just after harvest, have flooded the grain market seasonally, decreased prices and severely weakened farmers' incentives for intensified production. Envisaged strategies to support the private sector by promoting small scale processing i.e. expanding the market, or design of a credit programme using the crop as a collateral, have never materialised.

Box 9. Ethiopia: apparent paradoxes in patterns of growth and distribution

East Gojjam is reputed to be one of Ethiopia's bread baskets, yet the zone's agricultural surplus is marketed and processed elsewhere, impoverishing Debre Markos, its chief urban centre. On the other hand in South Wollo, Dessie and Kombolcha are located in the middle of one of the most vulnerable and food deficit zones in the Region. Nonetheless, the towns are enjoying considerable investment and growth. This paradox deserves further research, as it could indicate clues regarding incentives for local investment.

Whereas the EEOA does its best to avoid direct reliance on government authorities who are unsympathetic to programme goals, SARDP makes exclusive use of state structures to reach potential entrepreneurs. Despite the clear dedication of some key actors in this process, the ignorance and lack of interest in market mechanisms among many key programme stakeholders, combined with an underlying distrust of strong commercial actors, has restricted these components to little more than tokenism. There may, in principle, be a potential to use positive examples of private sector development in the programme to inform and encourage support for reform at higher levels. The poor performance of these components

on the ground, however, and the lack of vision regarding alternative approaches for private sector support make it unlikely that such illustrations can be found.

The disjuncture between rhetoric and practice regarding private sector policy is symptomatic of a failure to perceive the multidimensional nature of poverty, and the potential measures by which poverty could be reduced by addressing the poor as consumers and labourers. Employment opportunities and more reliable access to foodstuffs are primarily served by a strong private sector. Nonetheless, a widespread belief still seems to prevail within bureaucracies in both Sweden and partner countries that the poor are producers, and that poverty alleviation must primarily be addressed through improving own-account agricultural production. Even other development cooperation actors (such as consultants and NGOs) are prone to reify own-account production to the neglect of labouring opportunities, and so fall into this "yeoman farmer fallacy". In reality, the long-term trend in practically all countries is for people to leave the land, and, given the opportunity, many of the poor in the three countries observed would undoubtedly do so. This places a premium on approaches which are conscious of this dynamic, and of the need to offer employment opportunities and improved consumption prospects as well as enhanced own-account production opportunities if the needs of the poor are to be met (see also Appendix 4).

Again, ADPs are not vehicles to directly steer macro-economic policy formation, but they can provide vivid illustrations of the gaps between policies and practice, including the distortions that the yeoman farmer fallacy creates. They must engage with local actors to break down narrow conceptions of the nature of poverty, but they can also provide a basis for driving these discussions on other levels.

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*Photo: Karin
Ralsgård*

Further, in relation to the private sector, there are strong arguments for ADPs to:

- Support (at least initially) market information services. Without objective information on markets, small producers are constantly open to exploitation by traders.

- Engage with market actors in ways that encourage competition. In a well-functioning market, it would be improper for an ADP to favour one set of market actors over others; but where markets are weak, and are dominated by a particular group of traders, it is perfectly legitimate for an ADP to disseminate information on market prospects to other groups of (potentially competing) traders.

- Inform government as strongly as possible of the gains achieved through the project by supporting the development of small-scale private enterprise within markets where many of the necessary enabling conditions have been put in place. This may be done effectively through collaboration between an ADP and lobbying organisations such as NGOs or chambers of commerce, which would take on much of the interaction with government, using ADP experience, as evidence.

4.4 ADP linkages with wider processes, especially PRSPS

Have ADPs interacted with policy formation at central levels, and, if not, can they do so in the future? This question needs to be addressed at two levels: first in relation to financial and technical support provided to local-level investment planning and service delivery; second, in relation to Poverty Reduction Strategy processes.

In relation to sectoral and budgetary support

In Cambodia, the project has made a conscious effort to develop participatory consultations, local planning mechanisms, and systems for making investments and delivering services in response to local demands in ways compatible with broad trends in the government's management of the public administration and of democratisation. The only significant problem with this has been an unequal involvement of different sections of the administration, especially at ministry level and thus a certain competitiveness for resources. In some ways, this too has its virtues, since it illustrates the cost-effectiveness of bypassing a number of levels of the bureaucratic hierarchy.

By contrast, donors in Ethiopia are faced with a gap between the rhetoric of government in respect of democratisation and administrative reform, on the one hand, and its centralised practice on the other. This has made it difficult for Sida to identify the most appropriate patterns of investment planning or service delivery for the ANRS/SARDP. The "shopping list" nature of SARDP II seems to reflect a form of budgetary support that is not related to government reform regarding decentralisation or economic liberalisation. In lieu of attention to broader goals, the mere transfer of budgetary resources to the *woredas* has become a central focus, and the ability of local authorities to accept and spend resources has become an end in itself[9]. Although the self-confidence of local authorities in dealing with donor funding is in some respects a laudable achievement (in light of past trends in Ethiopia), spending money can hardly be perceived as an appropriate goal independent of the impact of this disbursement. SARDP would do well to learn from Cambodia in terms of village-level planning being mediated at the Commune level, where effective plans for local public goods can be made.

In relation to PRSPs: in 42 highly-indebted poor countries (HIPC) worldwide, Poverty Reduction Strategy Papers are in various stages of preparation. In Ethiopia, an Interim (provisional) PRSP was first drafted in November 2000, with plans announced by government in August 2001 for a

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[9] Indeed, a curious aspect of some evaluative documents is their positive assessment of the capacity of institutions to receive untied grants and then spend them.

nationwide consultation, leading to a final version by mid-2002. In Zambia, the first draft of a PRSP was completed in early 2002, but has so far been little discussed. In Cambodia, an I-PRSP prepared by the Ministry of Economics and Finance with support of the World Bank was passed to the Council of Ministers in October 2000. The Ministry of Planning then drew on some of this in its preparation of its second Socio-Economic Development Plan with the support of the Asian Development Bank. The intention is that this should lead to the preparation of a full PRSP, though the apparent unwillingness of the two major development banks so far to provide inputs on anything other than separate phases of the work does not augur well for a coherent final document with a broad constituency of ownership. Links between the projects and the PRS processes have in all cases been weak, though in the Cambodia case, donor representatives (including Sida) have been present at frequent meetings to contribute to the PRSP and assess its progress.

It is perhaps too early to expect strong inputs from the projects into PRSPs. In most cases, PRSPs are at something of a "wish list" phase, and have not had to face the hard reality of prioritising – certainly none have yet had to identify the types of implementation process best suited to the priorities selected (or, indeed, whether thinking should proceed the other way round – i.e. how implementation possibilities and constraints should influence the prioritisation of activities).

In principle, well-managed ADPs designed in ways largely consistent with government's own procedures, and compatible with realisable visions of democratisation and administrative reform, have much to offer the PRS processes[10]. They can:

- suggest to government how different ways of defining poverty and identifying (segregating) different categories of the poor work in practice in terms of the feasibility, design and impact of different kinds of intervention;

- suggest how different forms of participatory needs assessment and community-based planning of public investments should influence the focus and impact of investments and the relevance and quality of services delivered;

- suggest how local government and central ministries or departments might work best together to achieve investments which are relevant to the local nature of poverty, and also consistent with national policy objectives;

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[10] The EEOA is somewhat distinct in this regard: it aims to integrate largely into private (and some public) sector entities. It offers lessons in its own right, and in relation to how government might deal better with the private sector, but is not intended to generate wider lessons for government interventions in relation to poverty reduction.

- suggest, by drawing on their own essentially integrative nature, how actions within the mandates of different government departments can be prioritised and sequenced;

- suggest how and how well different forms of delivery mechanism work at local level in relation to different categories of the poor, and different types of investment or service provision;

- suggest how these might be monitored or evaluated in relation to process, outputs and impact, where relevant and feasible, using participatory modes of M&E[11];

- provide a platform for engaging with civil society based on real examples of alternative futures for the poor, and in so doing avoid the unconstructive polemics regarding abstract development models that sometimes dominate these discussions.

Current reviews (ODI, 2001) suggest that PRSPs are weak in a number of areas, including:

- the analysis of poverty, as its non-income components are typically ignored in the preparation of PRSPs;

- indications of how sector-specific matters will be incorporated into an overall poverty reduction strategy;

- the incorporation of cross-cutting themes into PRSPs, such as gender or environment;

- weaknesses in prioritisation and sequencing of public investments;

- inadequate consideration of budgetary procedures;

- inadequate consideration of possible capacity constraints and how these might be addressed;

- inadequate specification of how progress will be monitored or evaluated.

Finally, on a general note, integration of ADPs into wider processes, such as PRSPs, is unlikely to happen unless concrete measures are taken. Arguments made above for deliberate efforts towards integration into government procedures are even stronger in the case of PRSPs. Studies of a sample of I-PRSPs and PRSPs in preparation led by Booth et al. (2000) suggest that there is a substantive gap between public investment and service delivery priorities in PRSPs and hard evidence of how these are to be implemented in ways which are not prone to the types of shortcoming evident in the past, including lite capture and corruption. Old ap-

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[11] Participatory M&E and accountability are discussed in more detail in sections 6.3.2 and 6.3.3 of Appendix 5.

proaches are repackaged without addressing their inherent faults. More specifically, the I-PRSPs in the three countries under review have low levels of national ownership and are, despite their titles, more oriented to macro-economic strategies towards growth than to understanding the specifics of poverty alleviation.

Well-managed ADPs have direct experience of designing and implementing investments and services in response to community priorities, and should be in a strong position to demonstrate what will work and what will not. This knowledge and experience are potentially of great value to PRS processes, but are unlikely to be utilised in these processes unless at least two conditions are in place: one is that staff directly involved in the projects (including consultants) must make an effort to liase with those in government and donor offices (including Sida and the Swedish Embassy) who are engaged in the formulation and management of PRS processes; the second is that there must be firm evidence in support of the arguments that projects can make – anecdotal evidence is unlikely to command more than a brief hearing. This evidence must be based on a strong baseline[12] and an M&E system generating credible analyses. EEOA, for example, has damaged its credibility by making unrealistic claims for increased incomes over project life, claims that do not stand up to detailed economic analyses.

4.5 Sustainability

Sustainability can be considered along various axes. Only the more important of these are discussed here. These include:

- *Institutional*: are the organisations or institutions created or supported by the project (such as local level planning or resource allocation committees), and the procedures they use likely to continue beyond the life of the project?

- *Economic*: will the current activities being promoted through the project continue contributing to livelihoods (not only in terms of income, but also stability of income and reduction of risk)?

- *Environmental*: have procedures, institutions and ways of thinking been put in place which offer greater environmental safeguards (such as conservation of soil, water and biodiversity) than in the past?

Considering the three individual projects against these criteria:

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[12] It is recognised that baselines are difficult to construct and in themselves involve major attribution problems. Streamlined techniques for constructing baselines have been developed and merit consideration in this context. They are discussed in the "Evaluability" Report (Rudqvist et al., 2000:32).

- The ANRS/SARDP *is* largely integrated into existing local institutional structures, with the creation of only a limited number of new institutions, such as the Programme Coordination Committee, the Programme Coordination Unit and the *Woreda* Development Coordination Committee. As the externally-financed *Woreda* Development Fund (WDF) is phased out, the rationale for the WDCC will disappear and there is no reason for it to be sustained. There appears to be no consistent planning for phasing out the WDF – earlier discussions of the issue are not mentioned in current documents. In other words, there is no clear "exit" strategy. The indications are that the participatory planning procedures and modalities of funding *woredas,* developed by the project, could be maintained by government. Certainly, many of the skills acquired by *woreda*-level officials in participatory planning are likely to be sustained, though there remains scope for the project to deepen these beyond the currently predominant level of consultative participation. The economic investment activities introduced by the project are of dubious sustainability, especially in relation to farming practices, and the continuing inability to harmonise what the state has to offer with what farmers want and can benefit from remains one of SARDP's greatest lacunae. The project cannot lay claim to having set up the procedures for long-term economic sustainability until the practice (as distinct from the rhetoric) of government welcomes and supports competitive private sector activity in input supply, processing and marketing.[13] Government itself must also turn away from static approaches to farming systems development and instead be more prepared to listen, sensitively interpret, and respond to what local people require. For many of the same reasons, it is difficult to be confident that environmentally sustainable methodologies have been established. Soil and water conservation, and biodiversity management are just two of the dimensions of the local agro-ecology that require closer attention if environmental conditions are to be improved. Investment by farmers in land management practice is closely related to perceptions of security of tenure, and trust between farmers and government on this issue is presently low. In the past, soil and water conservation efforts, while technically sound, failed to achieve sustainability due to an inability to consider how these investments could become anchored in the livelihood strategies of small farmers and the destitute who have traditionally provided much of the labour for these schemes through food for work schemes. There is little indication that the current programme has addressed these deficiencies.

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[13] Even then, the disturbing demographic and food security trajectories in the project area raise questions about the ability of projects such as this to reverse current trends.

- CARERE/Seila has helped to create new, participatory local investment planning bodies at a time of institutional fluidity in Cambodia, and these are being replicated by government, through its commitments to introduce the model nation-wide. The fact that government is committed to taking over and expanding the project, opens the way for "markers" to be agreed that would permit donor support to be scaled down or switched into different activities, but any discussion of exit strategies has not so far been reflected in project documentation. Further, some anomalies require urgent attention if the "scaling-up" potential of CARERE/Seila is to be fully realised. One of these is more substantive inclusion of certain central government ministries (such as Rural Development). Another is the need for improved coordination among donors themselves: CARERE/Seila has grown from a Sida-supported initiative to a multi-donor consortium. But some key actors, such as the Asian Development Bank, remain outside this consortium. Effort must be made to reconcile these different organisations and approaches in order to avoid sending confusing signals, which could undermine the institutional sustainability of the approach, to government. At a different level, it remains unclear what impact the spread of party politics into villages will have on the viability of representative institutions created by the project, but this question is generic to countries in similar transition, and not specific to Cambodia. In economic terms, many of the processes appear to be in place in the northwest to allow vibrant growth, though it is difficult to apportion the credit for these between the project, on the one hand, and wider forces such as the dynamism of the neighbouring Thai economy, on the other. In environmental terms, there are major concerns in the northwest that uncontrolled logging (inside and beyond the project boundaries) has contributed to a host of soil and water conservation problems, including an increase in uncontrolled flooding. Although this problem goes beyond project boundaries (reaching up even into Laos), not enough is yet being done within the project to reverse negative environmental trends. In the northeast (Ratanakiri), regulations are in place to control logging, but the reality is that roads constructed by the project open up the area and make such regulations doubly difficult to enforce. The fact that much of this unregulated gain is made by people non-indigenous to the area raises further questions of equity, as well as fundamental questions over the appropriateness of development trajectories. For instance, investment in the area has been premised largely on the assumption that tribal people wish to adopt western-style development models. Yet, given the low awareness among people of the disadvantages as well as the advantages of such models, it is extremely difficult to identify what might be the most appropriate of the range of options. The project may also not be

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equipped to manage expectations accordingly, avoiding the extremes of rapid opening up to full-blown westernisation on the one hand, and autarky, involution and biological determinism on the other. Certainly, many of the project staff are sensitive to these dilemmas; the difficulty lies in achieving the right balances and safeguards in implementation and action.

- EEOA builds capacity in a non-institutionalised "critical mass" of farmers and entrepreneurs, and has supported institutional development of the MBT. There is a need to ensure sustainability of capacity built in the MAC, and of physical infrastructure. Whether initiatives under the EEOA will be economically sustainable will depend essentially on the continued sustainability of private sector development more generally. As in Ethiopia, the potential problems of institutional sustainability, of which there are many, are rooted in the wider behaviour of government. The absence of clear and consistent action (as distinct from rhetoric, though even this is ambivalent) on the part of government in support of private sector development is a major concern, and is likely to impact on the economic sustainability of lines of investment being opened up by participants in the project. If these fail, then the project model is unlikely to survive institutionally. Given the size of the country, its low population density (averaging one household per square kilometre), the restricted spread of environmentally negative trends, and the small scale of initiatives taken under the project, it is clear that the project is unlikely to have environmentally negative effects. Indeed, some of the prospects it offers of crop diversification away from maize may enhance environmental sustainability.

On the issues raised by questions of sustainability;

- Major questions have to be treated more in the context of the institutional models being developed by the project than in that of the immediate benefits brought by the project to intended "beneficiaries". The relevance and potential adoptability by government of the institutions and procedures developed by the project should be given greater weight in project decision-making. It is in these that its long-term prospects for institutional and economic sustainability are rooted. With regard to sustainability, service provision should thus be seen primarily as a vehicle for capacity building, as clearly demonstrated in the EEOA.

- Assumptions that projects can generate sufficient levels of investment and service provision to result in "take off" in the districts being supported deserve critical review, along with related assumptions that such take off will inspire spread to other areas. The implicit assumptions of take off potential in both institutional capacity and economic growth in many ADPs (as in IRDPs in the past) have been grossly op-

timistic. This is of course particularly important where projects are undergoing rapid scaling up, as in SARDP and CARERE/Seila, where the original spatial characteristics of ADPs are no longer present.

- Environmental sustainability also depends to some degree on the appropriateness of institutions and processes, but also on the character of immediate investments and actions made by the project. Environmental degradation is often the result of illegal extractive practices and may involve trans-boundary issues, so analyses of high-level government and regional practice as well as links to reforming forces are essential for effective sustainability and to clarify the line between a governmental focus on public goods and the need for greater regulatory capacities.

- Although not generally recognised by project documents, another issue related to sustainability concerns gender. Project design parameters often require (or recommend) certain levels of involvement of women in decision-making processes or prescribe gender balances, in line with the principles of donor agencies. However, few governments have such quota-based policies, and levels of involvement of women may slip after funding ceases. Promotion of gender equity must be based on an analysis of how these norms may eventually be anchored in the civil service, civil society and even the political structure. Provision of gender awareness training without more profound attention to how behaviour must be influenced within the organisations in question will not create sustainable impact.

- To monitor sustainability requires more rigorous baseline studies than have been conducted hitherto. The methodology for environmental baselines and impact assessments is well-developed. However, there is no agreed methodology for assessing institutional sustainability and some basic intellectual work is required here in order to develop frameworks which can then be adapted to local settings.

- Closer attention is required to exit strategies: ideally, a donor leaving one area (regardless of whether it is moving on to another) will wish to hand over procedures and institutions gradually, ensuring that adequate capacity has been built prior to handover, and setting up longer term systems for monitoring how procedures and institutions are used, how they perform and how they are replicated elsewhere. This may seem to be an altruism, but the examples reviewed (with the exception of EEOA, which limits involvement in a Facilitation Area to 3 years, and in a District to 6 years) suggest that this issue is either ignored or relegated to wildly optimistic assumptions about the capacity of partner institutions.

Conventional criteria of sustainability ask, for instance, whether levels of financial input provided through donor engagement can be sustained over the long term. The general pattern in ADPs (and many other aid flows) is for levels of funding to fall once donors withdraw, and a drastic reduction can lead to the collapse of mechanisms put in place. However, in some respects, financial flows are a secondary issue: how far they are sustained depends in some degree on the appropriateness of the "model" being developed with donor support. The phases of developing and testing models inevitably require more funding than will be required for their long-term operation and maintenance. The service delivery and investment planning procedures that ADPs "pilot" need to be assessed based on explicit analysis of how they will eventually function at lower levels of funding, and how they will be able to attract adequate funding for the long term from combinations of locally raised taxes, recognised "claims" on higher levels of government, user fees, etc. This takes us back to the primary considerations of institutional design and sustainability raised above.

Sustainability of the types discussed here remains a difficult criterion to apply since no local project can develop more than reasonable safeguards against external political, climatic and economic shocks, and the Horn of Africa and SE Asia are no stranger to these. Risk analysis deserves far more attention than at present in order to understand and adapt to changing conditions. This flexibility is needed as all levels, from project design to the choice of technological options that are offered to farmers. Perhaps a more appropriate definition of sustainability is that offered by Amartya Sen (1999), who emphasises that people's capacity to make choices in line with their livelihood preferences, and the enabling conditions underpinning this capacity, need to be sustainable. This avoids the difficulty inherent in conventional approaches of suggesting that a particular livelihood activity must be sustainable (when all are aware that livelihood portfolios are managed in response to changing circumstances), or of suggesting that a particular resource (e.g. farmland or forest) must be sustainable, when, outside of conservation areas and beyond specific regulatory provisions, all resources are subject to the kinds of trade-off generated by, for instance, market forces.

In other words, the fundamental question is whether the foundations are in place for future economic well-being, and whether procedures have been put in place to allow local people to make future choices appropriate to their livelihoods, and to allow goods and services to be supplied to meet these (e.g. whether markets have been strengthened). In the case of public goods, this refers to whether the public sector has developed the capacity to look beyond the project models to address changing demands and a dynamic vulnerability context.

Chapter 5

What Future for Area Projects?

5.1 General

The overall conclusions of the study are:

- that a potentially powerful new role for ADPs is emerging, namely that of informing national level planners and donor consortia on feasible, equitable and efficient ways of prioritising and implementing poverty-focused public investment and service delivery at local level. This role also embraces the capacity of ADPs to identify what is currently missing but needs to be in place if productive systems are to work adequately after deregulation, decentralisation and other reform efforts. In this way, they are in some sense "hands on" action research projects that could have the potential of providing an empirical reality check on the assumptions that underpin changing approaches to rural development;

- that the existing mandate of ADPs makes them almost uniquely-placed to exert this influence, but;

- that this role has been exploited only to a very limited degree by ADPs hitherto;

- that this potential role will expand as an increasing portion of donor support is directed for the medium/long-term into nationally-coordinated poverty reduction efforts, including PRSPs and budgetary support, and that coordinated donor efforts in these directions will encourage government to take on board the lessons generated by ADPs;

- that, to fulfil this role, ADPs need to take on a limited number of new activities, but the main requirement is to strengthen their ability to fulfil existing roles more effectively, so that praxis-based evidence offered to national processes is comprehensive and persuasive.

Expanding on these conclusions:

5.2 ADPs' emerging role and prospects for greater integration into the new aid architecture

There is a growing trend for developing countries to set out what their policies towards poverty reduction are, and how they are to be imple-

mented. PRS Papers are one current manifestation of this wider process. They are an integral part of a move led by the Washington-based institutions to convert international debt into development assistance for some 42 Highly Indebted Poor Countries (HIPCs). The underlying principle is that this conversion will be agreed only if underpinned by a rational and feasible national statement on how the funds are to be used for poverty reduction. In parallel, there is much discussion among donors of switching large parts of their development assistance out of projects and programmes and into budgetary support. Part of the rationale for this is based on a concept of partnership, which sees a need for governments to take a clear lead in setting out their own priorities for economic growth and poverty reduction, and for donors to offer coordinated support to these priorities. Other elements of donor rationale are more self-serving, namely that the administrative costs of transferring large sums to national budgets are expected to be lower than those of managing a number of distinct projects or programmes. This is not the place for a detailed critique of these trends, but several points should be made:

- The more perceptive donors appreciate that very few countries are yet ready for full budgetary support: necessary safeguards include improved methods of financial tracking and accounting, and improved output- and impact-based monitoring and evaluation systems. In most countries, considerable work will be needed to put these prerequisites in place, and to create other desirable conditions, such as a clear and rational perception of government and private sector roles and adequate enabling conditions for the private sector to function efficiently. In many countries it will take time – in the range of 5–10 years – to put these conditions in place.

- Although PRS Papers have been produced in practically all eligible countries, at least in preliminary form, in many cases they are little more than "wish lists" with very little detail of proposed mechanisms for prioritisation, sequencing or implementation. In some cases, especially where international agencies have had a strong influence in drafting the papers, there is serious doubt over the national commitment to the PRS process. More fundamentally, in several countries, there remains a lack of commitment among important political constituencies to using the objective of poverty reduction as a guiding principle for public investment and service delivery.

- These new trends, especially towards budgetary support, are a high-risk strategy for donors, given the potentially enormous scope they create for fungibility, mismanagement and corruption. Nevertheless, they appear set to continue, and their mirror-image in many donor countries has been a de-prioritisation of projects and programmes, including ADPs. This trend should be resisted for two reasons: first,

PRSPs and budgetary support require much detailed information on workable ways of prioritising and implementing poverty-focused interventions at local level, and projects (especially ADPs) are in a strong position to provide such support; second, there is a precautionary motive: if PRSPs and budgetary support do eventually face a major crisis (such as might be caused by negative reviews across several countries, or major misappropriation of funds even in a single country that might cause parliamentary questions to be asked in one or more donor countries), then it will be advantageous for donors to be able to demonstrate in all sincerity that they are still working in a project or programme mode on practical questions of prioritisation and delivery at local level.

There is very little evidence that lessons from ADPs are currently being fed systematically into national level poverty-reduction plans and processes, including PRSPs. This is partly attributable to the relatively recent publication of PRSPs in the countries reviewed. Nevertheless, even where ADPs have been well-managed and have substantive lessons to offer (as in Cambodia), the evidence is of an indirect rather than a direct interaction with PRSPs. For instance, the Government of Cambodia's decision to implement the CARERE/Seila model in all other provinces will undoubtedly be reflected eventually in the PRSP, and more specific lessons on approaches to prioritisation and implementation of public investment and service delivery might also eventually be incorporated. The donors supporting CARERE/Seila are also represented in the PRSP process, yet there is limited awareness of the PRS process among project staff. They have no compelling sense that they should be informing either their own colleagues who are involved with PRSP formulation or those of government or relevant development banks in the types of lessons learned and their potential incorporation into the PRSP.

The following sections discuss how the design and management of ADPs might be modified to allow them to perform more effectively within existing mandates, but also to extend their mandate to inform national-level poverty reduction plans and processes more fully. In reality, the design characteristics and current status of ADPs differ, as do those of PRSPs. There is a pressing need for a brief study in each of the countries in which ADPs are located of the particular strengths and weaknesses of their respective PRSPs, which would produce recommendations on what aspects of the PRSP the ADP should attempt to influence, and by what mechanisms. Until such a country-by-country study is conducted, the suggestions below will remain at a somewhat generic level.

5.3 Retooling ADPs

Existing ADPs

The most pressing requirements for existing ADPs to do a better job within their traditional, area-focused mandates, and within the new possibilities of informing and influencing national-level poverty reduction plans and processes are:

- Drawing on the brief studies outlined above, to familiarise themselves with their respective PRSPs and begin to identify areas of weakness which ADP experience can inform.

- To examine their findings in these areas and present them in a suitable form to those departments of government and donor consortia concerned with PRSPs and other reform and restructuring efforts.

- Within the framework of current overall agreements governing the ADP, to re-examine a number of components of the ADP with a view to amending them so that performance can be enhanced in both traditional mandates and in relation to new possibilities for institutional change. Evidence from the three ADPs reviewed suggest that these would include strengthened procedures for:

    - segmenting target populations by criteria such as age, gender, class, ethnicity and location;

    - genuinely mainstreaming certain criteria (such as gender and risk analysis) into all project actions;

    - introducing appropriate elements of new conceptualisations of poverty contained in, for instance, Sustainable Livelihoods and Rights-Based Approaches, and testing whether and how projects have helped in, for instance, improving access by different categories of the poor to assets and entitlements, in enhancing aspect of livelihoods such as voice, and in reducing risk and uncertainty;

    - testing different participatory procedures and institutional arrangements in relation to the public administration, local government, private sector and civil society institutions, and understanding how they perform in relation to the prioritisation of public investment and service delivery, and the implementing arrangements for these[14];

    - understanding how such procedures and arrangements can be formalised in ways that help government to think through its own

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[14] Approaches and techniques such as participatory auditing, participatory budgeting and performance auditing of public expenditure are discussed in sections 6.3.2 and 6.3.3 of Appendix 5.

policies regarding reform of the public administration and/or of local government, or to strengthen the government's existing moves in this direction;

– as an adjunct to the above, to help in strengthening national/local interactions in, for instance, the planning of larger province-level investments which may go beyond project boundaries

– testing different types of social protection and growth-focused initiatives, and especially the ways of modifying orthodox growth initiatives to suit local conditions and to combine elements of social protection into these;

– experimenting with different roles for private sector activity and liaising with government to engender perceptions of an appropriate balance between public and private roles, to encourage government to do its job better in public roles, and to encourage measures to provide an appropriate enabling and regulatory environment for the private sector;

– understanding the implications of different types of sequencing of investment or service provision priorities, identifying especially how different sequences might bear on the prospects for access by different categories of the poor to project benefits, or prevention of capture of such benefits by élites;

– re-examining approaches to service delivery to ensure that they are not so sophisticated as to be beyond the means of government in any attempted scaling-up;

– monitoring and evaluating project performance in relation to economic, social, institutional and environmental processes, and assessing the sustainability of project actions in these dimensions;

– the promotion of cross-learning among different components of the same ADP, and between similar ADPs elsewhere in the same country, or even between countries, engaging senior government staff wherever appropriate.

• There are two additional possibilities arching over all of the above: one is to improve mechanisms for learning, reflection and course correction, undertaking these more thoroughly and more frequently, and in collaboration with staff from the main government departments concerned with PRSPs. The second is to improve mechanisms for disseminating interim findings from the ADPs in relation to all of the above. Dissemination mechanisms were found to be weak at all locations, and could be improved in simple ways such as the production of a monthly or quarterly news sheet in local lan-

guages, radio programmes, e-mail summaries and video CDs and DVDs[15].

Even if it does prove possible to introduce many of the above improvements, existing ADPs will face a credibility problem in trying to present lessons to government and donor consortia, since ADPs generally are not underpinned by strong baseline studies and so have no convincing way of quantifying change and attributing observed change to project interventions (see also Rudqvist, 2002, on this). Elements may be captured by retrospective surveys, where before/after comparisons are impossible, but the fact remains that comparisons against good baseline surveys are the only incontrovertible way of demonstrating impact, and these can only be introduced for future projects. Moreover, governments have a very poor commitment to such studies, preferring the low-cost route of assumptions (which are often unconsciously underpinned by élite and even ethnic prejudice). Donors will therefore probably have to commission these studies directly.

5.4 The next generation of ADPs

In addition to the above points, other more fundamental improvements may need to be incorporated into the design of new ADPs if they are to become substantial components of new forms of development cooperation. These include:

- explicit efforts to ensure lessons from comparable ADPs are used in the preparation of new ones;

- the careful design and implementation of detailed baseline studies, together with a rigorous strategy to utilise these studies in M&E so as to support learning within and beyond the ADP itself;

- insistence that project proposals should contain adequate gender and risk analyses and segmentation of the poor, a description of how project benefits are expected to reach different categories of the poor, and cost-benefit analysis in relation to the expected outputs and impacts of the project;

- consideration of demography, as well as the ethnic, socio-economic and agro-ecological diversity of areas in which the projects might be located, so that project boundaries can be drawn to encompass reasonably homogeneous areas;

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[15] This may sound optimistic and would be so for Ethiopia. However, it is the case that provincial offices of Seila are as up-to-date in the dissemination of digital information as, for example, ODI or Sida.

- careful pre-studies in the selected locations to identify broad "possible futures, including those especially of ethnic minorities, so as to mitigate potential tensions at an early stage between their development perspectives and the views of ethnic majorities;

- explicit measures to ensure that the experience of the ADPs in exploring these "possible futures is shared with all levels of government, the private sector and civil society, thereby using the ADP to help in opening national policy debates;

- furthermore, a broad application of the principles of "do no harm" and assessment of potential impact on conflict to ensure that resource flows do not aggravate local or regional tensions;

- careful negotiation with government to:

    – identify current procedures, regulations, and arrangements for prioritisation and implementation, and identify which of these are easily changed, so that projects can be designed in ways which stretch the boundaries of existing practice to some degree, but not in ways which are beyond the implementation capability of government;

    – identify government practice and future agendas in relation to strengthening and decentralisation of the public administration and of local government, so that projects can be designed in ways which will feed into these plans and processes;

    – understand how and how highly government places poverty reduction on the overall policy agenda, and to insist on clarity (and perhaps improvement) regarding poverty commitments as a condition for proceeding with the signature of a project agreement, i.e., ensuring that PRSPs are implemented and not bypassed, and that commitments to basic human rights are respected;

    – understand government's current perception of public/private/ civil society roles and seek clarification or improvement of these prior to signature of a project agreement;

    – understand the wider processes of government, including taxation and land reform, so that efforts can be made to influence these in appropriate directions prior to signature of a project agreement, and/or the implications of these for project design can be drawn out and acted upon.

- "conditions" are mentioned at several points above, but these need not be implemented in practice as starkly as presented here. For instance, cross-visits to other countries and projects for senior officials and politicians may well be an appropriate way of broadening per-

spectives on poverty and on public/private roles and so leading to a willingness to revise policies in ways that would allow a better operating environment for the project. In most cases this may primarily mean steadfastly raising the attention of government staff to their own government's stated policies and commitments and their practical implications in programming. However, what is also worth emphasising is that much of the above presumes levels of seriousness and openness which are not always present in government. This underlines the complementarity among discussions on the nature of future partnerships, the types of poverty-focused initiative being taken at high levels, the questions they raise for local-level implementation, the types of answer that ADPs can provide to these questions, and, finally, the ways in which findings from ADPs can themselves prompt governments into new action.

These ideas focus on relations between Sweden and host governments. In addition, given the weak state of the private sector in many countries, some specific effort (either within existing ADP frames, or in some special effort such as EEOA) might be warranted to identify how the private sector might be better supported through capacity building, the development of trade associations, the development of facilities for finance, or laboratories for certification and testing of agricultural products. All of these can be done independently of government if the enabling environment for private sector development is broadly in place.

5.5 Issues for Sida Head Office

Almost all of the above points relate to necessary actions at country level, though some may touch on overall Sida policy (for instance where there is to be an insistence on stronger baseline studies in the preparation of all new projects, and on higher standards of project preparation). There is one other issue of primary importance, which requires action at Sida head office level. This concerns institutional learning within Sida, and how it might best be improved. One evident constraint to institutional learning is that of frequent turnover of headquarters staff responsible for each ADP, and the consequent loss of institutional memory that this implies. There would be some safeguard against such loss if project documentation at head office level were complete, and easily accessible. Transparency would be improved if all project reports were required to be presented in a standard electronic format and carry an executive summary. The electronic archiving of all project documentation, possibly with summaries carried in a short, separate folder, is essential. The present system of simply consigning older paper documents to a basement archive is a "file and forget system that militates against learning and in particular the comparison of present action against past design parameters. There

would also be some safeguard against loss of institutional memory if there were some continuity among organisations and individuals commissioned to conduct work on various aspects of the study, but this has rarely been the case. Earlier reviews have already reached similar conclusions, as Appendix 5 indicates.

A final and tangentially related issue is that there was a surprising lack of familiarity even among senior project staff and among the few consultants interviewed with current concepts of public/private roles, of the multidimensionality of poverty, and of the kinds of ideas being generated by livelihoods and Rights-Based Approaches. This does not augur well for the intellectual underpinnings of the projects, and Sida should incorporate a basic understanding of such concepts into introductory courses for all staff. Similarly, the practice of handing over project design to a rather limited set of commercial consultancies, tends to produce project documents that more reflect standard solutions from the past than new policies, and whose engagement with current concepts is rather slight. This argues for a rather different practice in project design, both in terms of engagement of Sida desk officers and requires a combination of consultancy companies and research organisations able to infuse projects with the type of engagement that will undoubtedly later be requested in evaluative studies.

5.6   Recommendations to Sida

Recommendation #1

Staff at Sida Headquarters, country and project levels (including consultants and key staff of host country partner institutions) need to be given thorough training at recruitment, and refreshers thereafter, on current concepts used by Sida in relation to poverty reduction, and on broader economic concepts such as public goods, market failure and the role of the state (3.1; 3.2; 5.5). This training should be expanded to provide basic orientation towards new approaches to the conceptualisation and reduction of poverty, including Sustainable Livelihood and Rights-Based Approaches. Sida should devise ways of ensuring continuity of learning within an environment characterised by high turnover of its own staff.

Recommendation #2

Although ADPs already have much to offer, there are a large number of detailed ways in which the performance of existing and new ADPs can be enhanced in respect of poverty-reduction, lesson-learning and integration with both government and the new architecture of aid. These are set out in Section 5 and should be given serious consideration by Sida. The fact that only the more urgent of these can be highlighted in these

recommendations should not distract attention from the importance of considering them in their entirety (5.1; 5.2; 5.3; 5.4). They should be prepared in such a way as to reflect the issues underpinning Sustainable Livelihoods and Rights-Based Approaches, including more thorough treatment than hitherto of access to assets, vulnerability, the dynamic nature of livelihood portfolios, power relations, and how the poor are to be supported in claiming their rights (and government in responding to them)

Recommendation #3

Much of the potential of ADPs for influencing policy is undermined by the fact that baselines and subsequent monitoring and evaluation are too weak to generate rigorous performance assessments. Sida should give serious consideration to strengthening these (4.4).

Recommendation #4

New ADPs and further phases of existing ADPs should be required, at the preparation stage, to undertake adequate segmentation of the poor within intended project areas, and indicate how project outcomes are expected to benefit the various categories (3.1; 3.2).

Recommendation #5

All ADPs should, as a primary part of their mandate, be required to "pilot test" models and approaches for local level poverty reduction and to engage public (and, where appropriate, private) sector staff at all levels in learning and capacity building in relation to these. To prevent model development and learning functions from being squeezed out by other activities, a proportion of project funds (approximately 1%) should be set aside specifically for documenting experience in learning and capacity building, and this activity should be specified in project logframes. This will encourage project managers to ensure that there is relevant experience to document here (4.1).

Recommendation #6

To help in locating ADPs within the changing architecture of aid, a major review of Sida's position on "partnership" and "ownership" should be commissioned. Particular attention should be paid to identifying how Sida staff at country and higher levels can (along with other donors) more effectively engage with partner countries to support them in achieving poverty reduction and realising basic human rights (4.2; 5.2).

Recommendation #7

Sida should require that new phases of existing ADPs, and all new ADPs should specify at the preparation stage (with frequent updates thereafter) through what routes the models and approaches developed by ADPs will

be adapted or replicated more widely by government and/or the private sector, and will influence higher-level processes of policy making and policy implementation in relation to poverty reduction.

Recommendation #8

Sida should broaden its definition of sustainability to include a component based on capabilities, and ensure that this is incorporated into project design, monitoring and training (4.4).

Recommendation #9

Sida should press for greater clarity in further phases of existing ADPs and in new ADPs on ways of working with the private sector. This could be done, for instance, by requiring questions of learning, capacity building and integration in relation to the private sector to be addressed at project preparation stage, and by ensuring that training programmes give adequate consideration to the private sector in relation to poverty reduction (4.3).

Recommendation #10

Sida should ensure that the design of exit strategies as an element of project preparation and periodic project reviews in the future (4.5)

Recommendation #11

New ADPs and further phases of existing ADPs should be required to indicate at the preparation stage how they will seek to inform national level processes for addressing poverty such as PRSPs (4.4; 5.2).

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Appendix 1

Terms of Reference for an Evaluation of Sustainable Poverty Reduction through Area Development Projects

Background

Sida/UTV has decided to make a study of area development projects in a perspective of poverty reduction, sustainability, and learning. The area development approach has encountered many problems over the years. Evaluations have repeatedly shown that poor people have not benefited from such projects as expected. Sustainability has also been a serious problem. In many cases projects have created institutional structures and incentives that could not be sustained without external funding. It is important to find out how these longstanding problems have been tackled in more recent generations of area development projects. The evaluation sketched in these terms of reference will address the problems of sustainable poverty reduction with regard to three major area development projects supported by Sida.

An evaluability assessment of half a dozen area development projects supported by Sida was made recently (Annex 1).[1] On the basis of a review of project documents, the study concluded that an evaluation of development impact would not be feasible. None of the projects had produced all the baseline and monitoring data needed for a full-scale impact evaluation. Their systems for monitoring and evaluation seemed to be geared toward output monitoring more than impact assessment. Also, some of them had not reached the stage of full impact.

The planned evaluation will focus on questions of process and method. In the evaluability study, three issues were singled out as particularly interesting: project integration, capacity building vs implementation or service delivery, and project approaches to security and vulnerability. UTV in consultation with representatives of Sida's Department for Natural Resources and the Environment (NATUR) has decided that the evaluation will be mainly concerned with the two issues of project integration and capacity building vs. service delivery.

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[1] Poverty Reduction, Sustainability and Learning. An evaluability assessment of seven area development projects. Anders Rudquist, Ian Christoplos, Anna Liljelund.

Purpose

The evaluation has the primarily formative purpose of assessing the theory and practice of current Sida efforts to support sustainable poverty reduction through area development projects. Dealing with a sample of such projects, it will focus on issues of project integration and project strategies for poverty reduction (institution building in public administration vs. service delivery). By providing instructive examples of good and bad practice as well as a more general analysis it will attempt to serve the need for a policy relevant assessment of project experience among Sida staff and other stakeholders.

Area development projects

For the purpose of the evaluation the concept of area development projects is broadly understood as projects designed to develop a rural area largely to benefit the rural poor. Area development projects often serve marginal areas neglected by previous investment strategies. Many of them are multisectoral, combining activities in agriculture, water supply, health, and rural infrastructure, but there are also those that are less complex in design. Increasingly, area development projects seem to be concerned with public sector institution building. In one of the projects selected for study in this evaluation, the establishment of structures of good governance and the empowerment of rural people is a central objective.

The need for popular participation in project design and implementation is usually emphasised. According to a World Bank review, the commitment of rural people to project goals is a crucial determinant of the outcome of area development projects.[2] The participation of beneficiaries in the planning and implementation of projects is felt to be so important that the willingness of the partner country government to adopt a participatory project approach is regarded as a leading indicator of the government's own commitment to the project.

The definition above is broad enough to accommodate most rural development projects supported by Sida, although in some of these projects the poverty reduction objective does not seem to be fully explicit. Among the sample projects to be studied in the present evaluation, poverty reduction figures most prominently at the level of the overall goals. While all the projects are intended to improve rural living standards and combat poverty, none of them is specfically targeted on the poorest segments of the project area populations.

Evaluation issues

The evaluation will focus on the interrelated themes of poverty reduction, sustainability and learning. It shall deal with these themes in relation to the issues of

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[2] Area Development Projects. Lessons and Practices No 3, 1993. The World Bank. Operations Evaluation Department.

project integration and project intervention strategies as suggested in the evaluability study and further discussed in these terms of reference. For one of the projects, the EEOA project in Zambia, there is also a set of supplementary terms of reference (Annex 2).

In both the main study and the supplementary study there is room for much creativeness on the part of the consultant. The consultant's technical proposal should include a reflective assessment of the evaluation issues outlined in these terms of reference and in the evaluability study and it should carefully explain how these issues can be constructively developed in relation to the projects selected for case study.

As presented in the evaluability study, the issue of project integration has two main dimensions: (1) the integration of projects with the administrative systems and policies of the partner countries, and (2) the integration of project activities with the livelihood strategies of affected populations. The question about the policy and administrative systems integration of projects is largely a question about solutions to problems of organisational bypass, but it also concerns the integration of projects with their wider policy environments – the question of government commitment is clearly very important. The question about the fit between project activities and livelihood strategies, on the other hand, is a question about participatory approaches to project design and implementation and about the extent to which projects are driven by the needs and demand of their intended beneficiaries rather than by supply factors.

The second of the two main issues, that of institution building vs. service delivery, is described in the evaluability study as an issue of the 'project's soul'. According to the study, many area development projects are ambiguously divided between providing services directly to a target population and attempting to improve the conditions of poor people more indirectly through institution building efforts in the host country administration. There is a need for greater clarity regarding project objectives and practice, the report argues. Should area development projects be structures for channelling aid to poor people, or are they primarily means of influencing the knowledge, capacities, values of host country institutions? To what extent are current intervention strategies based on learning from the achievements and mistakes of the past? What is the thinking behind recent generations of area development projects?

According to the evaluability study, the issue of institution building vs. service delivery need not be construed as an issue of either or. A mix of the two may represent a deliberate strategy. By adding a pilot service delivery project to a programme that is otherwise mainly concerned with capacity development, for instance, programme designers may want to achieve a demonstration effect. Hence, the task of the evaluation is not so much to assess the relative advantages and disadvantages of capacity building and service delivery in general terms, as to consider the strengths and weaknesses of different mixes of project activities for different purposes and in different types of contexts.

The evaluation should consider whether the reviewed projects are built on adequate understandings of the nature and extent of poverty in the project areas and whether the chosen intervention strategies are effective and relevant to the problems at hand. As stressed by much recent research, poverty is a complex and variable condition that needs to be understood in its local context and from the points of view of the poor themselves. Even within a restricted project area, there can be many ways of being poor and many ways of coping with poverty. When we talk about the fit between projects and livelihoods we refer to the ways in which projects support or fail to support efforts to cope and make a living among differently situated groups of poor people.

The evaluation should also consider how questions of participation and power are addressed in the reviewed projects. According to the evaluability study, many area development projects are based on a naïve assessment of the prospects for participation and empowerment of the poor while operating within institutional power structures that accept or even generate that poverty. While evaluations repeatedly point out that there is a considerable gap between rhetoric and reality, this does not seem to have much impact on institutional learning. As suggested by the evaluability study, the implications of a consistent and informed commitment to democratisation and justice should be considered. Examples of good and bad practice regarding participation should be recorded.

In the context of this evaluation, the term learning refers to three types of processes. First, it refers to the learning that occurs within projects during project implementation. Here we are concerned with the individual project as a 'learning organisation' monitoring the effects of its own activities and adapting more or less successfully to changing circumstances. Second, it refers to the learning that takes place when lessons from one project are transferred to another project. In this case we are concerned with Sida as a learning organisation building up a capital of knowledge and know-how through involvement in successive projects. Third, it refers to the wider processes of learning in the partner country to which development projects aim to contribute. Here the partner country government or other partner country organizations are seen as learning organisations faced with the challenge of assimilating a diverse set of projects and project models into a coherent and viable pattern of development. The evaluation should deal with all the three types of learning.

Case studies

The study will cover the following projects:

Amhara Regional State Rural Development Programme (ANRS), Ethiopia

Economic Expansion in Outlying Areas (EEOA), Zambia

Cambodia Resettlement and Reintegration Programme (CARERE/Seila), Cambodia

Two of these projects, ANRS and CARERE/Seila are discussed in the evaluability study. A description of EEOA is given in an annex to a recent evaluation of Swedish support to the agriculture sector in Zambia (Annex 3).[3]

An important reason for selecting these particular projects for case study is that they are regarded by NATUR as representative of innovative approaches to the problems of area development, and that they have not been much studied.

The case studies should cover the entire lifespan of the selected projects. In the overall analysis the projects should be viewed in a wider perspective of alternative approaches to area development and poverty reduction as discussed above. Where useful, references can be made to the other projects figuring in the evaluability study – as mentioned, several of these projects have been evaluated before.

The project case studies should make optimal use of existing evaluations, monitoring reports and other documented information.[4] Further data may be collected through well-targeted field studies of limited duration and interviews with stakeholders. The possibility of using RRA and PRA field study methods and other methods for rapid data collection and assessment, should be considered. Relevant official records and existing social science research information should be used for contextualization and area analysis.[5] The possibility of consulting with the standing monitoring teams attached to the projects should not be neglected. In the CARERE/Seila programme, plans have been made for a study of lessons learned since programme inception. If practically feasible the evaluation should be coordinated with that study.

Evaluation output

The evaluation should result in a report contrasting and comparing project approaches and experiences. The logic of the reviewed projects – the explicit and implicit theories and assumptions guiding them – should be carefully assessed in relation to Sida's overall goal of supporting sustainable poverty reduction as well as in relation to their own project specific objectives. Contextual determinants of success and failure should be highlighted. As mentioned above, the projects should be analysed in a long-term perspective of rural development. The approaches to area development exemplified by the case studies should be compared to older models of integrated rural development.

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[3] Evaluation of Swedish Support to the Agriculture Sector in Zambia. Annex 1. Evaluation of the Project: Economic Expansion in Outlying Areas (EEAO). DRAFT. 2001. Sida, NATUR.
[4] An evaluation of the Cambodia Area Rehabilitation and Regeneration Project by Hugh Evans et al. was recently published as Sida Evaluation 00/8. (Annex 4). Important information about this project is also available in DFID-Sida Appraisal of the Seila Programme 2001-2005. May 2001. (Annex 5)
[5] The idea of extensive field research over a longer period of time briefly put forward in the evaluability study has been rejected as too time consuming and too expensive.

The report should attempt to draw useful lessons of a more general nature concerning the design and implementation of area development projects, and it should give policy relevant recommendations to Sida as a donor. As required by the supplementary terms of reference in Annex 2, there should be a separate report dealing with selected aspects of the EEOA project.

The main report shall be written in English and should not exceed 60 pages, excluding annexes. The main report shall be submitted in three copies and on diskette. Subject to decision by Sida, the report will be published and distributed as a publication within the Sida Evaluations series. The report should be written in easily accessible language and in a way that enables publication without further editing.

The evaluation assignment includes the production of a newsletter summary consistent with the guidelines Sida Evaluations Newsletter – Guidelines for Evaluation Managers and Consultants (Annex 6) and also the completion of Sida Evaluations Data Work Sheet (Annex 7). The separate summary and a completed Data Work Sheet shall be submitted to Sida along with the (final) draft report.

Implementation

Throughout the study the evaluation team shall keep in touch with the UTV evaluation manager and the evaluation reference group. UTV will assist the evaluation team with finding documents in Sida files and archives. The team will be responsible for the collection of data from other stakeholders. Where required, the UTV evaluation manager will facilitate contacts between the evaluation team and other stakeholders.

An inception report based on a reading of project documents and initial contacts with key stakeholders shall be delivered to Sida no later than six weeks after the signing of the contract. The inception report shall contain an elaborated and more precise version of the study design outlined in the consultant's technical proposal. Suggestions regarding the selection of project components for closer study – all the projects are too large and too complex to be closely examined in their entirety – and methods of data collection shall also be included in this report.

Final reports from the main study and the supplementary study of EEOA shall be delivered to Sida not later than May 15, 2002. Both the reports shall be preceded by one or more draft reports. UTV will comment on the successive draft reports in writing and the Consultant shall respond to each comment, also in writing.

The first draft of the main report shall be presented and thoroughly discussed in a seminar at Sida headquarters in Stockholm. Sida shall give comments on this version of the report within two not later than two weeks after the seminar. The date of this seminar as well as other details about reporting shall be fixed and agreed upon in the discussions about the contract and/or when the inception report has been presented.

Budget

Sida/UTV estimates that a minimum of 45 manweeks will be needed for the evaluation. This estimate includes four manweeks earmarked for the supplementary study of EEOA. Sida/UTV also believes that out of the estimated minimum, at least 50% ought to be used for fieldwork.

Qualifications

The following are compulsory qualifications to be met by the tenderer:

1. Staff resources for performance of the services

❑ The evaluation team should have necessary expertise in evaluation and area development theory. It must include the private sector development expertise needed for the supplementary study of EEAO in accordance with the directives given in Annex 2. A thorough understanding of relevant socio-cultural, economic and political conditions in the project areas is also required, as is experience in using rapid data collection methods.

The team leader shall have the managerial experience necessary for the task.

❑ The tenderer shall specify the qualifications of each team member and attach their individual *curricula vitae* (including name, address, education, professional experience, and publications). Reference persons (with telephone numbers and e-mail addresses) should be stated.

❑ The tenderer shall specify any previous engagements of the proposed team members with the programmes and projects under review.

2. *Technical proposal*

❑ The tenderer shall present his/her understanding of the evaluation assignment in the manner suggested above. Reference should be made to the evaluability study as well as to the special directives concerncing EEOA.

❑ The technical proposal shall include a reasonably detailed description of the proposed study design and data collection methods.

❑ The tender must satisfy the requirements above regarding reporting.

❑ The tenderer shall provide a time and work plan for the evaluation, including a) a manning schedule specifying the tasks to be performed and the time to be allocated to each of the team members, and b) estimates of the time required for the different tasks of the assignment.

3. *Price and other commercial conditions*

❑ The tenderer shall present a budget, specified for the different components of the assignment as well as for the different staff categories. Fees shall be dis-

tinguished from reimbursable costs. All fees shall be stated hourly. All costs shall be stated in Swedish Crowns (SEK), exclusive of (Swedish) VAT, but including all other taxes and levies. Individuals, however, shall state their fee exclusive of (Swedish) social security charges.

❑ The tenderer shall state any minor reservations on his her/own part against the draft contract and Sida's Standard Conditions, and propose alternative wordings, which may not imply significant changes, as well as complete the articles left open in the draft contract

The following are preferred qualifications:

❑ Local evaluators should be included in the team.

❑ The team should include both male and female researchers.

❑ A representative of Sida/UTV or NATUR should be included in the evaluation team as working member or as an observer.

Annexes

1. Poverty Reduction, Sustainability, and Learning. An evaluability assessment of seven area development projects. Anders Rudquist, Ian Christoplos, Anna Liljelund. Sida Studies in Evaluation 00/4, 2000.

2. Additional issues to be addressed when assessing Economic Expansion in Outlying Areas (EEOA), Zambia

3. Evaluation of Swedish Support to the Agriculture Sector in Zambia. Annex 1. Evaluation of the Project: Economic Expansion in Outlying Areas (EEOA). Draft. Sida. 2001.

4. Cambodia Area Rehabilitation and Regeneratioin Project. Sida Evaluations 00/8

5. DFID- Sida Appraisal of the Seila Programme 2001–2005. Ms.

6. Sida Evaluations Newsletter – Guidelines for evaluation managers and consultants

7. Sida Evaluations Data Work Sheet

Sida/UTV
Stefan Molund
2000-05-14

Appendix 2
Livelihoods Approaches
in Practice

Application of the principles outlined in this report means that livelihoods approaches may generate very different priorities and sequences than conventional projects do.

For instance, early perceptions of how DFID might support two districts in Orissa, India, were premised on the replication of some components of earlier projects elsewhere which had been based on rainfed farming systems and micro-watershed rehabilitation approaches. However, analysis of the ground realities through a livelihoods lens indicated that the quality of the natural resource base (soils; forest; water resources) was generally good, but that poverty in those districts was among the highest in the country, and that the poor predominantly sought livelihoods in areas outside agriculture. This suggested that the rehabilitation of watersheds might, in reality, generate little of potential benefit for the poor.

A livelihoods analysis confirmed earlier work which suggested serious income inequalities in Orissa, and highly skewed access to land and natural resources. The analysis asked a number of questions generated by livelihoods approaches:

On what do the poor base their livelihoods? Some relied on agricultural labour and on gathering fodder or non-timber forest products for parts of the year; many relied on migration for other parts of the year;

What kinds of livelihoods objectives do they have? Higher income was a major priority, but an additional objective for many was to enhance their security against unforeseeable events such as sickness or non-availability of work.

What kinds of assets do the poor have, or can they access? Many were landless (apart from small kitchen gardens); many had limited access to forest and grazing resources; many had only limited domestic water; many had some social capital, both locally, and in relation to migratory employment. An exceptionally weak public administration meant that few of the poor could access resources or entitlements through government.

What kinds of vulnerability, risk and uncertainty do they face? Major sources of uncertainty included their access to natural resources, and to adequate seasonally migrant employment;

Who or what is preventing them from improving their livelihoods and how? It quickly became clear that local élites controlled access to a number of resources and opportuni-

ties, and maintained patron/client relations by variously offering "favours" to the poor, or imposing restrictions.

Reflection on the findings of the livelihoods analysis suggested a radically different set of priorities and sequences for the project:

- First, ways would be sought of increasing the profitability to the poor of seasonal migration, and in doing so, of reducing the stranglehold of some of the élites on migration. Improvements in systems of recruitment, transport, accommodation and money transfers were sought as part of this effort. A strategy to promote migration would have been unthinkable under older farming or watershed projects, the entire rationale of which was to keep people on the land;

- Second, activities would be found for investment which were important to the livelihoods of the poor, but would not necessarily alienate the better off. One early example was domestic water supply: caste considerations in many cases determined that the poor should obtain water from separate sources, and once élites had their own pumps, they generally had no objection to pumps being allocated to the poor

- Third, locally-relevant productive activities would be sought in which the poor could engage without threat of their access to resources being cut off. Backyard activities suggested themselves immediately, and appropriate small stock and kitchen garden enterprises were sought

- Fourth, in those limited settings where watershed rehabilitation had something to offer the poor, it was recognised that a lengthy period of capacity and confidence building would be needed for the poor. Focus group activities, especially of a small enterprise or savings and credit kind, were sought in this connection, and capacity in group leadership, basic accounts, etc was developed

Finally, much thought was given to the kinds of major infrastructure investment that, although impossible to direct uniquely towards the poor, would at least be accessible to them on an assured basis, and useable in support of their livelihoods.

Appendix 3

Rights and Livelihoods Approaches: Exploring Policy Dimensions

Tim Conway, Caroline Moser, Andy Norton and John Farrington

Policy conclusions

- Livelihood approaches have considerable potential for improving the focus of programmes and policies and the overall strategic coherence of interventions that a government or donor uses to promote poverty reduction. However, operational staff often find the conceptual frameworks on which they are based somewhat complex.

- Approaches to development informed by a human rights framework also have much to offer. A rights approach draws attention to who does and who does not have power, and how this affects the formulation and implementation of policy – insights which livelihoods approaches do not always capture. However it too may be intimidating for practitioners, and on its own it provides little guidance on pro-poor policy priorities.

- Recent elaboration of rights approaches to livelihood-focused development, informed by a growing body of practical experience, offers promising but realistic conclusions:

  – The international human rights framework provides a powerful tool for focusing state actions on the livelihoods of the poor: provisions can be drawn down by national actors seeking to change policies and budget priorities.

  – The relationship of rights to sustainability is ambiguous. The argument that conferring rights leads to unsustainable resource use or public expenditure has some credence, but may also be used to defend patterns of resource use and service delivery which favour the rich. Rooting policy in universal basic rights may be the only way to reorient government priorities towards the poor. Basing entitlements in rights rather than discretionary policy makes it easier to defend continuity of service provision, increasing the political sustainability of pro-poor actions. By guaranteeing a minimum livelihood and discouraging extreme inequalities, enforceable economic and social rights also help to promote

> the social and political stability necessary for sustainable national development.
>
> – Rights on paper are a necessary but insufficient condition for pro-poor policy. Highly marginalised groups lacking organisation and resources may be unable to realise their formal rights: improving livelihoods may be necessary to give them the incentive and leverage to lobby for realisation of rights. Social capital, effective allies, and voice are thus essential. Struggles for the realisation of rights require sustained action in a variety of national and international fora. Donors can play an important role: in changing the incentives for government, in providing state and civil society actors with information on international human rights and advice on how to incorporate these, and in absorbing the upfront costs civil society groups face in developing a capacity to make use of their rights (e.g. assisting community forestry groups develop processing and marketing skills).

Over the last decade several donors and NGOs (and more recently some developing country governments) have adopted a livelihoods approach to development. More recently, there have also been efforts to approach socio-economic development through the framework of human rights. Drawing on case studies of Rights-Based Approaches to livelihood development, this paper briefly reviews the main features of these two approaches, and the possibility of integrating them.

Background

Livelihoods approaches are concerned largely with household-based productive activities and (generally to a lesser extent) with risk management, "voice" and social protection. Rights approaches have conventionally concentrated upon wider entitlements and been defined primarily in reference to the role of the state in terms of respecting, protecting, promoting or fulfilling internationally-defined rights. Crudely, then, livelihoods approaches have been primarily concerned with the practical means of development (improving the level and reliability of household entitlements to material goods and services), and have built upwards from analysis of existing circumstances to identify opportunities available in the near- to medium-term. Human rights debates, by contrast, have conventionally concentrated upon the ultimate ends (freedom and wellbeing), and extrapolated back to the social and political relationships that are required to achieve this ideal state. As described below, however, both approaches are evolving beyond these archetypes, and in the process are becoming more complementary.

This paper summarises the basic logic and tools of each approach before examining ways in which they might complement each other. Case study material collected during a DFID research project on "livelihood security, human rights and sustainable development" (see Moser *et al,* 2001; Conway, 2001a) is used to illustrate the arguments. The full texts of the case studies can be obtained from www.odi.org.uk/pppg/tcor_case_study.pdf.

Livelihoods and assets

Before the development of coherent Sustainable Livelihoods (SL) approaches (such as those of DFID and Oxfam UK), there existed a number of policy-focused analytical approaches (e.g. the urban asset vulnerability framework, entitlements analysis, or food security and survival strategy frameworks), all of which could be considered to fall within a livelihoods approach. All these approaches have in common:

- a perspective on development problems and process which begins with an understanding of the household and the resources it owns or can access, including natural resources (NR), which are held and used collectively, and social capital – understood to mean the advantages that can accrue from strong social relationships;

- a recognition of the diversity of livelihood strategies and contexts within and between households;

- attention to the dynamics of household wellbeing, with an interest in how households balance short- and long-term perspectives in order to manage poverty and vulnerability;

- an approach to development problems that transcends individual sectors (e.g. agriculture, health, education, etc.); and

- attention to the institutional context (the economic, social and political relationships governing production, exchange and accumulation) which determine what livelihood strategies can be pursued with the resources available to households.

Livelihoods approaches thus contrast with other approaches to development which focus upon aggregate objectives and indicators; which make a number of assumptions about how policies and programmes will affect household consumption and social well-being; and which typically approach sectoral problems in isolation.

In practice, however, a livelihoods approach faces a number of constraints. Despite its cross-sectoral aspirations, for practical reasons a sectoral department or ministry will usually take the lead, and the resulting livelihoods analysis and programme of action will tend to reflect this sectoral perspective. A livelihoods approach is also still perceived by many project planners and policy-makers as complex, and requires more administrative and financial flexibility to develop and implement than a more conventional approach firmly rooted within one sector or discipline.

Human rights and development

The discourse of international human rights provides the potential for a powerful approach to development issues. The international human rights system, formed through the accretion of the United Nations (UN) Charter, the Universal Decla-

ration of Human Rights, and subsequent commitments made by governments at international conferences over the years (e.g. the Convention on the Rights of the Child in 1989), provides a powerful political lever for civil society groups to demand state action in support of the livelihoods of the poor. In this formulation, development is the process of achieving basic human rights (economic, social and cultural as well as civil and political: UNDP, 2000; Sen, 1999).

However, a rights approach to development is often criticised on one or more of the following grounds:

- To realise citizens' full economic and social rights as laid out in international law would require levels of public spending – and institutional capacity – which are not feasible in poor states. While the human rights framework does contain guidance on prioritising public expenditure in resource-constrained contexts (notably in the work on the right to development), other, more well-known principles (e.g. that all rights are equal and indivisible) can appear at odds with such pragmatic needs.

- Similarly, the human rights framework provides limited guidance for prioritising between the rights of present and future generations. If the right to an acceptable standard of living is taken to mean that poor groups have an absolute right, inter alia, to adopt livelihood strategies based upon the use of non-renewable resources or exploitation of marginal environments, any gains in poverty reduction may be unsustainable.

- The emphasis upon individual over collective rights, and on rights over responsibilities, is sometimes argued to threaten not only environmental sustainability but also economic stability and social cohesion.

- From an academic social science perspective, meanwhile, some authors argue that the concept of rights is an over-formalised and incomplete framework through which to understand and address the reality of differences in power. At a practical level, it is clear that the provision of rights in law is not enough to ensure that they are respected by élites or enforced by the state.

In response to these issues, much of the work on rights and development now focuses less on the ultimate goal (full realisation of all international human rights), and more on extracting key principles and objectives which should inform development analysis and intervention. (DFID, for example, identifies social inclusion, participation and the fulfilment of obligations as fundamental principles that should inform its work). Current formulations of rights approaches to development also seek to work with both the normative definition of human rights (that is, what rights people *should* have, drawing upon the framework of international law and UN conventions for legitimacy) and an anthropological understanding of actually-existing rights as claims that are legitimised by social structures and norms Rights approaches thus entail understanding the existing patterns of rights and their embeddedness in social, political and economic institutions, as a prerequisite to changing them in a pro-poor direction. This legal pluralism can be conceptualised as a layering of different discourses which act upon each other over time (see Table 1): in particular, poor groups in particular national contexts

can and do "draw down" elements of international human rights declarations in order to bolster their claims to resources or services critical to their livelihoods. It also illustrates that there are a variety of means for contesting rights and determining outcomes: efforts need to focus not only on the definition of rights (typically a political process), but also on the interpretation and implementation of rights (through legal, policy and administrative processes).

Table 1. Rights regime analysis

Social and political contestation	Rights regime	Form of rights & domain	Level of operation, institutional framework & authority structures	Legal & administrative implementation
Economic and social groups seeking to make claims on the means for a Sustainable Livelihood	International human rights law Regional law	Human rights with universal application Human rights which apply to regional populations	International/global level, implemented & monitored through UN International/regional, increasingly with statutory power of enforcement	Rights regimes are implemented through the operation of the legal system, the allocation of resources, and the administration of services
	Constitutional law	National constitutional rights (mainly civil & political, starting to include economic & social e.g. South Africa)	National level, enforced through constitutional courts and other national legal mechanisms	
	Statutory law Religious law	Statutory rights deriving from criminal, commercial & other law Religious rights and norms (mostly re: domestic sphere, in some cases extended)	National or, under devolved, government local; formal legal system Can operate at multiple levels (global through local): forms of authority depend on relations with the state	
	Customary law	Customary rights (mostly re: kinship and resource rights), specific to localities and social/ethnic groups	Local level (generally only in colonial or post-colonial states), enforced through customary authorities (e.g. chiefs)	
	Living law	Informal rights and norms (mostly re: kinship and resource rights), applying to localities through varying cultures (including institutional cultures)	Micro level. Not formally incorporated into national legal system, but local élites may be able to co-opt elements of the state to help enforce living law.	

Source: Norton 2001; Moser, Norton *et al* 2001

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Integrating livelihoods and rights approaches

There is considerable overlap in the basic principles underpinning livelihoods and rights approaches to poverty reduction (Moser *et al*, 2001; Farrington, 2001) and the two perspectives complement each other in important ways:

- Rights analysis can provide insights into the distribution of power. By identifying groups lacking effective rights – and groups who may be denying rights to others – it can highlight the root causes of the generation and perpetuation of poverty and vulnerability. As such, a rights approach provides one possible way of examining the operation of institutions and political processes (the inner workings of the Policies, Institutions and Processes (PIP) box in the SL framework) that influence the livelihoods of the poor, and which livelihoods analysis has to date lacked (Baumann and Sinha, 2001). Effective rights are a large part of the functional definition of political capital.

- Sustainable Livelihood analysis offers one way to prioritise efforts to obtain rights for poor groups. By identifying constraints on people's livelihoods, it can suggest which kinds of rights are most important for a particular group at a particular time, or the sequence in which rights should be approached for a given group.

The rest of this paper provides an interpretation of the complementarity between rights and livelihood approaches, drawing on the case study material reviewed by Conway (2001a).

Complementarities between rights- and livelihood-focused interventions: lessons from experience

Rights and sustainability

There is a concern that granting individual rights of access or use to the rural poor who depend directly upon the natural environment for their livelihoods may result in unsustainable exploitation of natural resources. If the rights in question are to levels of state-provided services or to tax-funded social protection which threaten the country's ability to attract investment, national fiscal and macroeconomic sustainability may be threatened.

However, without a basis in rights, it may be impossible to achieve a significant improvement in access by the poor to natural resources or government services. Establishing a right to livelihood-related opportunities or provisions may in fact be the *only* way to ensure that a government does address these areas as policy priorities, and does adopt a fundamental shift in public expenditure patterns which reflects this prioritisation.

Rooting access to resource-based opportunity or to a minimum of state-provided social services and livelihood security in a framework of rights may also increase the social and political sustainability of pro-poor interventions. Once a benefit

stream to the poor has been established as a right, it is difficult to reverse, and considerably easier to defend against corruption or political capture. This is the case with the Maharashtra Employment Guarantee Scheme, which has since 1978 provided subsistence level employment on rural public works to all who want it. While other poverty alleviation interventions in India typically cycle through phases of initiation, success, capture and decline, followed by the introduction of new interventions, the fact that the rural poor of Maharashtra know they have a right to safety net employment has prevented its wholesale capture and made possible its sustained impact (Joshi and Moore, 2000).

This point – that establishing entitlement to resources or services as a *right,* rather than as merely as a policy objective which may or not be changed in the future, improves the sustainability of the benefits gained – is corroborated by comparative study of approaches to land and wildlife management in southern African states (see Box 1). There is a cost: basing entitlements in legal rights for the poor may make the flow of benefits to the poor slower to appear, and more modest, than those flows which may be obtained if other actors, with the capital and knowledge to exploit resources more effectively, are accorded principal rights of resource use. But the experience from southern Africa suggests that rights-based access to NR-based livelihoods are more reliable over the long term, and as such play an important part in reducing the vulnerability of the poor.

Box 1. Benefits rooted in local rights: slow to appear, more likely to last?

The rights of local people in southern Africa to make their livelihoods from land or the wildlife on the land have evolved rapidly over the last ten years, but in different directions in different countries. This contrast between experiences in different countries highlights a number of issues. While private ownership can deliver ecological and economic sustainability, and may provide some benefits in the form of employment, giving local communities rights to manage wildlife does make management systems more sustainable in social and political terms. Similarly, it is not enough for benefits to flow only from policy interpretation. If they are not firmly anchored in rights, the benefits from community-based management can be re-routed away from communities by policy change (as occurred in Botswana). Yet, while the achievement of rights facilitates the realisation of benefits, this is often a long-term investment. In the short-term, a strong emphasis on rights, often involving complex equity-sharing models (as developed in South Africa), may deliver little in the way of material benefits. Investing in the development of a division of rights and responsibilities which gives local populations a significant stake in wildlife management has the potential to improve livelihoods, not so much through a major increase in incomes as through diversification and the reduction of vulnerability.

Case study author: Caroline Ashley

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More generically, by ensuring a certain minimum standard of economic and social wellbeing, and thus directly and indirectly reducing the magnitude of inequalities visible in society, livelihood-related rights help to contain social tensions which may otherwise result in civil disorder, crime and violence (Moser *et al*, 2001).

Rights alone are not enough

The mere designation of rights is not necessarily enough to ensure their realisation: many countries already have national constitutions that specify important rights that have never been realised. For highly marginalised groups which lack established forms of collective self-representation or links with organisations which can lobby on their behalf, formal rights may have little effect upon livelihoods (see Box 2). In this case complementary strategies are required to allow these groups to realise their rights. For poor and marginal groups, offering alternative livelihoods may be an important entry point which reduces dependence and enables people to contest their existing but unrealised rights more effectively. This important lesson also emerges from the experience of community forestry in Cameroon, where the development of skills in processing and marketing forest products increased the incentive for forest communities to demand the realisation of their legal rights (see Box 7).

Box 2. Rights without resources and organisation may go unrealised: the Huaorani in Ecuador

While the Huaorani achieved rights to their land in 1990, the Ecuadorian government retained all rights to subsurface minerals. These are sold as concessions to multinational oil companies. These companies negotiate with the Huaorani for access in ways which follow and perpetuate the workings of the "gift economy". Divided into small, often feuding family groups and overwhelmed by the pace of cultural change, Huaorani leaders have sold safe passage and land rights to outsiders in exchange for small and often unproductive gifts. This has hindered efforts to negotiate for the collective and long-term investments which are needed to improve livelihoods in an economically, socially and culturally sustainable manner. The Organisation of the Huaorani Nation of the Ecuadorian Amazon (ONHAE) was founded to provide a collective mechanism for negotiating with oil companies, but has faced formidable problems in terms of a lack of skills and supra-family social capital, poor communications, and lack of funds. Lack of Huaorani institutional capacity thus helps to explain why the new land rights regime has done little to improve indigenous livelihoods. Instead, it has been the development of ecotourism which is seen by the Huaorani to offer the greatest potential, providing an alternative livelihood to oil company gifts. By reinforcing the values that the Huaorani attribute to their land, tourism has strengthened local commitment to implement land rights.

Case study author: Scott Braman

For poor people to make effective claims requires a number of complementary strategies and conditions. These include i) access to information (not only on their rights under national and international law, but also on technical issues relating to NR); ii) group solidarity; iii) development of skills and capabilities (especially in organisation and communication); iv) help from allies capable of advocating for rights at other levels, in distant institutional fora (e.g. international conferences), and with particular (e.g. legal) skills; and v) recourse to a fair arbitrator of claims (e.g. an appeals courts) which is capable of assessing competing claims according to rights and without being captured by élite groups (Moser *et al*, 2001). Some of these observations are explored in more detail below.

Civil society organisation is critical

Civil society plays an essential role in identifying key livelihood rights, pressing for them to be established in law, and subsequently ensuring that they are effectively enforced. Without group solidarity and collective representation – community groups, social movements, unions or national NGOs – the poor are unlikely to be granted rights, or if granted them, will not be able to hold state and non-state actors accountable for their realisation. This is part of the problem facing the Huaorani (Box 2): lacking effective forms of collective organisation above the level of the family group, they have until recently been unable to make good use of the rights they have, or lobby for those they do not have.

Networks and alliances, at national and international levels, can be very powerful tools in scaling up local concerns into an organised claim for rights. In Burkino Faso, an alliance of producer organisations has proved critical in representing the perspectives and interests of smallholders in the definition of rights within national land policy debates (see Box 3).

Box 3. Making land law more pro-poor in Burkina Faso: CCOF and smallholder rights

In Burkino Faso, efforts to reform land holding and tenure have been made through national Agrarian and Land Tenure Reform (RAF) legislation. This process was strongly top-down in nature, with no representation from agricultural producers. This helps to explain why most producers who were asked said they were not aware of the existence of the new legal framework, and once aware felt that it posed threats to their livelihoods, as it favours large farms and agribusinesses which are best able to obtain access to investment and government incentives. By ignoring the existence of local customary institutions for land management, the new legislation also threatened to create social tensions within village communities. Although it was only formed in 1988 and as such not involved in the formulation of the RAF, the umbrella Co-ordination Framework for Rural Producer Organisations (CCOF) has succeeded in articulating smallholder concerns, reorienting the process so that the formulation and implementation of policy and law accords equal rights to smallholders. While CCOF has had considerable success, lack of funds limits the amount of grassroot consultations it can carry out. This is a matter of concern, as ultimately its legitimacy depends upon its ability to demonstrate a consistent understanding of and representation of members' interests and concerns.

Case study authors: Jean Zoundi and Karim Hussein

Experiences in the Indian state of Andhra Pradesh provide a (negative) example of the importance of access to technical knowledge in defending poor people's rights of access to natural resources (Box 4). Goats are a highly attractive asset for poor women in India: they are hardy, offer a high return for a small investment, and provide milk at all times of the day (so that milking can be fitted around domestic work). Yet land, credit and extension policy in Andhra Pradesh (and to a lesser degree many other states in India) effectively discriminates against goat-owners, on the grounds that goats are particularly damaging to the environment. This environmental case is far from proven, but because poor rural women have

little in the way of voice or collective organisation, and little support from NGOs, they have not been able to demand the right to equality of support.

Box 4. Science, voice and rights in the debate over goat-rearing in Andhra Pradesh

Although the Indian Constitution states that every citizen has a right to a livelihood, the interpretation of this is very much the prerogative of government. In Andra Pradesh, high-level political statements in which goats were singled out as destructive animals have fostered a concerted anti-goat campaign amongst line departments and funding bodies, with efforts to discourage the provision of loans for the purchase and rearing of goats. At least three districts have completely stopped the supply of goats through government funded channels, with more likely to follow. The rationale underlying the government position – that goats are destructive browsers which eat tender leaves and shoots and do not allow saplings to survive – has acquired legitimacy due to the power wielded by officials who propagate it, but is not always supported by scientific evidence. A government task force to evaluate the impact of goat rearing in ecologically fragile zones concluded that there was no definite evidence to prove that goats pose a threat to the environment, while research conducted by ANTHRA (an organisation of women veterinary scientists) has established that plants preferred by goats are still abundantly available. Other studies have shown that goats act as regenerators of vegetation through seed dispersal and vegetative propagation through browsing. However, goat-keepers tend to be poor and lower caste, and thus socially and economically excluded. In competition with other constituencies for a shrinking resource base – and generally unaware of their legal rights – they have little voice or capacity to make claims on either grazing land or government support services. Unlike other actors (e.g. local élites engaged in leading various community-level programmes such as watershed development) they have little support from NGOs. The rights of goat-keepers are therefore overruled in the name of forest and CPR protection, even though there is a good case to be made that environmental degradation is more clearly related to faulty forest policies, poor management by the Forest Development Corporations, illegal encroachment on CPRs and the negative impact of populist land redistribution policies.

Case study author: Priya Deshingkar

The case of goats in the livelihoods of the poor in Andhra Pradesh, like that of hill tribes in Thailand (Box 5), illustrates how arguments premised on the objective of enhancing environmental sustainability can be distorted to promote the rights and privileges of élites. Without external assistance the most marginalised will generally lack the capacity to negotiate effectively for their rights. Information and the development of local organisational resources may help them to voice claims, as may access to technical specialists.

Box 5. Negotiating access: collective rights and community-based forestry in Thailand

Since 1990, long-standing debates in Thai society about the rights of different social and economic interests in using forest resources, and the role of the state in mediating these rights, have been brought into focus in the process of drafting a Community Forestry Bill. This process illustrates the ways in which private capital can shape the *de facto* enforcement of egalitarian rights. Although the Thai government was able to challenge the power of commercial logging interests, its resolve to enforce sustainable forestry in conservation areas has been relatively weak, particularly when the groups that are threatened (e.g. hill tribes) have weak or non-existent rights to citizenship or land title, undermining their ability to claim other rights (e.g. to forest management and access). These groups have obtained some leverage from Thai NGOs, which helped to improve the definition of community use rights in the drafting of the Bill. However, Thai NGOs are themselves split on issues such as community forestry, with some approaching problems from a primary concern with environmental conservation, and others emphasising the livelihood rights of the rural poor. While the Bill and the 1997 Constitution have provided important political instruments with which poor and marginalised people could legitimate not only their right to use and live in conservation areas but also their right to negotiate political demands, there is a continuing need to defend and expand legislative provisions in the processes of interpreting and implementing rights within policy.

Case study authors: Craig Johnson and Tim Forsyth

Passing and implementing laws: the role of the state

Under human rights law the state is the principal duty-bearer. Elaboration of the obligations of states with respect to human rights has emphasised that this does not mean that states have to provide free services. Rather, they are required to respect, protect and fulfil these rights: fulfilling rights may require the state to facilitate, provide and/or promote these rights. In other words, state obligations with regard to economic and social rights can be met by the state acting as regulator and facilitator of other actors (market and civil society) who provide services, if this can be justified as the most effective and sustainable approach possible with the resources available.

In most of the case studies reviewed, the pressure for the creation and realisation of rights came from civil society groups acting upon a recalcitrant state. However, the state is not monolithic, and there are organic links between groups within the state and groups within civil society: in many countries there are at least some elements of the state which support, and sometimes even initiate, movements for the creation of livelihood-related rights for the poor. Similarly, civil society is not uniformly pro-poor: most societies contain powerful social networks amongst élites which may work against the interests of the poor, while the poor themselves may be divided along regional, ethnic or gender lines, and be occupied in pressing for particular privileges rather than universal rights.

The internal heterogeneity of the state, and the complexity of relations between the state, powerful economic interests and civil society organisations representing

groups amongst the poor, can be illustrated through the example of the Community Forestry Bill in Thailand (Box 5). In this context, various state institutions (both the legislature but also policy-interpreting and implementing bodies such as the Royal Forestry Department, local government and courts) have become fora for competition between local ("community") and commercial interests. An alliance of NGOs has pushed for a more pro-poor content to the Bill, and for the enforcement of provisions for community rights for access rather than just management. While successes have been won, struggles over the definition and interpretation of community-use rights have illustrated the potential of private capital to influence the *de facto* realisation of nominally egalitarian rights, especially in relation to geographically and socially marginal ethnic minority groups. The opposition to commercial pressure has meanwhile been complicated by divisions in the NGO community. While the case of Thailand's Community Forest Bill demonstrates how changes in formal constitutional rules can influence local political action, in Northern and Southern Thailand, it also demonstrates that the realisation of livelihood-related rights for the poor involves concerted action at a number of levels and institutional fora.

Donors can make a difference

Donors have often been wary of engaging with human rights issues. Even those (mainly bilateral) donors which have been prepared to establish an explicit commitment to human rights within their development strategy have typically restricted their advocacy to civil and political rights: there has been a sentiment that approaching the core concerns of development (e.g. poverty reduction) through the framework of economic and social rights is unrealistic and possibly counterproductive. This has started to change (see Box 6).

Box 6. The emergence of rights approaches in donor policy and planning

The 1990 UNDP *Human Development Report* focused upon the overlap and complementarity between human development and human rights approaches, and provided the impetus for cooperation between UNDP and UNHCR in developing and piloting an approach to country programming based on human rights analysis. The United Nations Children's Fund (UNICEF), meanwhile, has made the Convention on the Rights of the Child the key reference point for all its programme and policy work, both nationally and internationally. DFID and Sida have both explored the ways in which a bilateral donor might structure aid policy according to a rights approach. Even the World Bank, although explicitly stating that it cannot adopt a human rights approach, has in practice acknowledged that particular rights (e.g. the political rights inherent in the advocacy of "voice", participation, anti-corruption and judicial reform programmes; women's rights central to promoting gender equality) are crucially important for sustainable and equitable development.

Much of the donor interest in rights as the ends and means of development is still at an early stage. However, there are an increasing number of examples in which donors have sought to approach policy reform through a rights framework or

with a strong rights component (Box 7). Building policy upon a framework of rights is generally a slow process: it requires not only a good understanding of people's capabilities and needs (for which livelihoods analysis is ideally suited) but also efforts to build a constituency for claiming rights, so that organised demand from below is complemented with advocacy from above. Donors must thus accept that in approaching livelihoods-focused policy using rights, they must be prepared to invest considerable time and effort in first facilitating a coalition in support of the rights in question, both amongst those intended beneficiaries, but also amongst political allies. The return in terms of the long-term sustainability of pro-poor policy justifies this approach.

Box 7. The role of donors and communities in the development of Forest Law in Cameroon

Recent progress in community forestry in Cameroon offers positive lessons regarding how legal rights for poor and marginal forest communities can be made real. Rights in the forestry sector were achieved within a broader framework of entitlements and rights, and in an incremental manner. The passage of the Forest Law in 1994 was thus the start rather than the end of the process, and had to be elaborated and given operational content in a series of policy developments. It was also butressed from below by the development of local community capacity to negotiate the administrative process required for registration of a community forest; and by support to communities in developing skills in processing forest products, which increased the value obtained from the forest, and hence the commitment to manage it sustainably. This case is particularly instructive for donors in that, in the absence of domestic champions for forest communities, the long-term commitment of a group of bilateral agencies was crucial to progress in the development of community forestry rights.

Case study author: David Brown

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Acknowledgements

Appendix 4

Combining Growth and Social Protection in Weakly Integrated Rural Areas[1]

John Farrington and Gerard J. Gill

Growth-focused strategies, especially for rural Africa, are making a comeback. One important question is what such growth might do to reduce rural poverty, and, increasingly, what potential it offers for reducing the risks of civil strife in neglected areas. For some countries, rural areas will continue to contain the majority of poor for many decades, and the majority of these live in areas weakly integrated into markets, so that the size and timing of impacts from growth in better integrated areas are uncertain. Is social protection (in the form of resource transfers) the only viable strategy for the more remote areas in the meantime, or are there worthwhile interventions for these that promote appropriate agricultural or non-farm growth, perhaps incorporating wider interpretations of social protection? The responses to these questions discussed below are piecemeal and tentative, and some are far from new, but this area of debate is here to stay, and merits more detailed study if the best use is to be made of scarce resources.

Policy conclusions

- Growth-focused visions have the potential to reinvigorate rural areas, but tend to underestimate the gulf between areas well integrated and weakly integrated into markets, and the small relative size of the former, especially in Africa.

- Weakly integrated areas contain the majority of rural poor, and are the most prone to civil strife, especially where they contain ethnic minorities. Frequently they are also the most ecologically fragile.

- The impacts of growth in well integrated areas on poverty elsewhere, whether through a "trickle-out" of price or income effects, or through migration into them, will be at best be gradual.

[1] This paper appeared in 2002 as ODI Natural Resource Perspectives Paper no.79.

- Although social protection measures are an intuitively appealing alternative, they face severe fiscal and implementation constraints and are likely to be limited to those (i.e. the destitute) who cannot readily engage in productive activity.

- More viable alternatives are those which are growth-oriented but incorporate social protection measures. This paper suggests how these might be pursued in respect of agriculture, indicating how environmental and citizenship perspectives might also be built in

- These will require province-based visions and participatory arrangements for planning public investment and service delivery, which will complement the national-level perspectives of PRSPs.

- Initially, such measures will be largely publicly funded, but may be implemented by private non-profit or commercial agencies

- They will need to address more fully than hitherto the *interactions* among sectors or resources, such as the health/nutrition/drinking water nexus (and its implications for agriculture), and spatial interactions, especially between small/medium towns and their rural hinterlands.

- Many of the ideas discussed here are not new, but remain largely unimplemented, suggesting that the returns to the study of implementation constraints (or, more fundamentally, "implementality") would be high.

- There is no case for "writing off" agriculture in the more remote areas, nor, at the other extreme, for assuming that the private sector will "look after itself" by filling in all the gaps in production chains (which it will not, until adequate infrastructure and enabling conditions are in place, which will take decades in some areas).

- To monitor nuanced policies of these kinds will require new knowledge and policy analysis capabilities, and to strengthen these is an urgent requirement.

Introduction

Fresh thinking on how poverty in rural areas can best be addressed is opportune for several reasons:[2]

- poverty will, according to one estimate (IFAD, 2001), continue to be predominantly rural until 2025, and is predominantly located in the more "difficult" areas;

- transitions towards creating viable markets in which agricultural producers can thrive have taken much longer, and have had more serious social effects,

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[2] Many of these are also discussed by Ashley and Maxwell (2001).

than those promoting liberalisation and privatisation in the early 1990s had imagined, prompting calls for state re-engagement in some areas;

- persistent distortions in global markets are more damaging to the interests of developing countries than many of the advocates of globalisation had imagined. The most pervasive of these – subsidies by Organisation for Economic Co-operation and Development (OECD) countries to their own producers – alone amount to $1billion/day, equivalent to the aggregate GDP of Africa, and six times the global volume of foreign aid (*The Economist*, 2 February 2002, p.75);

- new, and perhaps unjustifiably stringent, food safety, sanitary and phytosanitary regulations regarding food products in the EU and elsewhere will amount *de facto* to a new non-tariff barrier to developing country agricultural exports;

- volumes of aid have fallen in real terms, and aid to agriculture in the late 1990s was only 35% of its value ten years earlier (IFAD, 2001);

- these distortions mean that few developing countries, and few producers within such countries, have yet been able to seize the prospects for growth offered by globalisation, and this trend seems set to continue;

- they also mean that an agriculture which remains as heavily taxed as in the past (Schiff and Valdes, 1992) has no prospect of competing internationally: the paradigm of disproportionate taxing of agriculture to fund investment in other sectors (or consumption) has to be overturned.

Yet a number of new initiatives are being taken which ought to provide a stronger basis for rural development in future, including the New Partnership for Economic Development (NEPAD) among African leaders, and efforts to convert debt into aid among the Highly Indebted Poor Countries (HIPC) through new Poverty Reduction Strategy (PRS) processes, driven by participatory consultation, led by governments, and supported coherently by donors. The majority of HIPC governments have long seen economic growth as the driver of rural development and poverty reduction, and at least one donor is taking a fresh look at growth, noting that it needs to be over twice as high as the sub-Saharan Africa average of 3%/yr if there is to be some prospect of achieving the Millennium Development Target of halving the proportion of people in poverty by 2015. There is a strong pro-growth lobby in Washington and elsewhere (e.g. Dollar and Kraay, 2000), and at least one influential policy paper (Fafchamps et al, 2001) has recently argued strongly for a focus on export-led growth, suggesting that earlier development assistance failed in part because of divided objectives between growth promotion and social protection.

This paper seeks to contribute to the current reassessment of rural development. Its central proposition is that the *location* of poverty matters, and it first proposes a market-based definition of location, namely that the majority of the poor are to be found in areas *weakly integrated* into markets. It then suggests that much of the desired rural growth is likely to occur in well integrated rural areas, and that

"spread" effects are poorly defined and will take much longer than anticipated. Can, then, other types of measure – based for instance on "social protection" – be relied upon to reduce poverty in weakly integrated areas (WIAs)?[3] The analysis by, among others, Nayak et al. (in press) in India suggests that, in the poorest areas, fiscal and implementation constraints prevent purely social protection measures from having more than a very limited role. This drives the main argument of the paper – namely, that we must start where poor people are, not where we would like them to be – in order to develop a new wave of initiatives which build into poor people's existing livelihood portfolios the types of growth that are not only more "socially protecting" but also generate environmental dividends and help to reduce the risk of civil conflict occurring disproportionately in "difficult" areas. The paper makes specific suggestions on how production-focused policies (here, in relation to agriculture) can be reformulated to incorporate elements of social protection. It examines the types of planning and delivery mechanisms that would be appropriate, emphasising those offering prospects of enhanced citizenship among poor people, and finally indicates areas where new knowledge is required and additional capacity has to be built.

Location matters: who and where are the poor?

There is general agreement that within 15–20 years most of the poor will no longer live in rural but in urban areas. However, for the poorer countries where poverty persists at high levels and where the absorptive capacity of urban areas remains limited, poverty will continue to be largely rural. There seems little reason to dispute longstanding estimates (e.g. in various IFPRI publications) that the majority of rural poor are in located in "difficult" areas. These have been diversely described (Box 1). An important feature of such areas is that they are often the locus of civil strife,[4] and, in the wake of September 11th, there is growing concern that past neglect has contributed to conflict, especially where ethnic minorities are present. For present purposes, "difficult areas" are defined primarily as those weakly integrated into national and international markets. In some cases, these correspond with entire countries (such as those landlocked in Africa). For instance, the cost of transport between Kampala and Mombasa is equivalent to a tariff ranging from 50% to 140% on Uganda's manufactured exports. A recent analysis (*The Economist,* 2 February 2002, 73–5) suggests a growing bifurcation between the small number of developing countries able to integrate into world markets, and those not (including much of sub-Saharan Africa).

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[3] Investments in the social sectors such as health and education are important from both productive and social protection perspectives, but are large topics in their own right and fall outside the scope of this paper.

[4] An overview of sub-Saharan African countries by Farrington and Lomax (2001) for instance, suggests that of 17 countriesexperiencing chronic political instability in the late 1990s, the instability was most evident in remote provinces in 9 cases.

Box 1. Definitions of "difficult" areas, and spatial distributions of poverty

"Difficult" areas are variously defined as having:

- low agricultural potential (owing to combinations of climatic, hydrological, soils, topographic or pest and disease problems)

- fragile ecology

- weak infrastructure

- highly fragmented and weakly functioning markets

- poor connectivity to national, regional and global markets

Some of the rural poor are small, own-account producers in the agricultural or Rural Non-Farm Economy (RNFE), some are labourers (whether seasonal, casual or permanent), all are (generally undernourished) consumers. But the poor are not fully defined simply as low income-earners or consumers: they are also characterised by low ownership and weak access to assets (natural, physical, financial, social and political), high levels of vulnerability to risk and uncertainty, and exclusion by social, administrative and political processes. Households headed by orphaned children, the elderly or women with high numbers of dependents are disproportionately represented among the poor. The inability of these to engage fully in production is problematic for growth-based strategies: existing mechanisms of resource transfer must be strengthened, or new ones introduced, if they are to share the benefits of growth. Finally, many of the poor are members of tribal, religious or ethnic minorities (tribals constituting some 70 M or 7% of India's population and significant parts of the populations in Latin America and SE Asia), who may not wish to follow conventional, western trajectories of "development", so that particularly sensitive strategies are needed to identify options for these people and to protect them from the more predatory features of market-based development.

Do conventional growth strategies impact on weakly integrated areas?

Econometric studies have long argued that agriculture is the engine of wider growth, including that in the rural non-farm economy and, to some degree, in the urban economy. Problems of data and econometric technique notwithstanding, this broad conclusion appears irrefutable. More recently, cross-sectional multiple regression models of this kind claim to have identified a strong link between agricultural growth and poverty reduction, suggesting that an increase in agricultural yields of one third might reduce the numbers in poverty by a quarter or more (Irz et al., 2001).

One of the most severe drawbacks of the models on which these estimates are based is that, although they identify consumption and employment effects as potentially the most relevant to the poor, they do so by drawing on cross-sectional

analysis, but as White and Anderson (2001: 284), observe "which sectors are pro-poor is probably country-specific, so that cross-country analysis cannot pick up strong effects". For this reason, cross-country studies cannot be expected to give much indication of the effects of growth (e.g. as between strongly and weakly integrated areas), nor of ways in which the impact on the latter might be strengthened. Two related questions are whether the conditions for enabling growth are common to both strongly and weakly integrated areas, and whether they can be expected to progress equally across both. Box 2 summarises some of these conditions.

Box 2. Prerequisites for growth

Governance needs to be improved at all levels, including greater responsiveness to citizens' demands and rights, reduced corruption, improved financial transparency, and improved capacity for policy monitoring and course correction – in short, states need to shift from predatory to enabling modes;

Business environments to attract new private (and largely foreign) investment, and to stimulate (and attract back) domestic savings, need to be right, including improved legal, regulatory, administrative financial and insurance frameworks;

Infrastructure development, possibly with increased private sector involvement, is a further component of the enabling environment; as is

Human resource development, including the "demographic transition" to lower population growth rates;

Regional integration can have powerful trade benefits.

Finally, export-led growth is unlikely to succeed against high tariff and non-tariff barriers in importing countries, and to reduce them is a priority.

Commonalities among the conditions for growth between well and weakly integrated areas

If the preconditions in Box 2 were established, would this not equally benefit well and weakly integrated areas, so that business would thrive in both and specific measures for more difficult areas would be unnecessary? In reality, political pressures are likely to ensure that the preconditions are met first in the better integrated areas. To implement them elsewhere will be more expensive, given rationing the sparse population densities in many weakly integrated areas (e.g. one household per km^2 in Zambia). For the same reasons, service provision relevant to human resource development (agricultural extension, education, health care) is also likely to be rationed. The quality of service provision will be more difficult to monitor there, as will be that of government response to citizen's rights and demands. Development strategies for weakly integrated areas need to be designed against realities of this kind.

"Trickle out" from well integrated areas?

A second set of questions concerns how far any growth effects achieved within well integrated areas can be expected to impact on WIAs. The more they can be expected to, the more a policy of *laissez faire* (i.e. without specific attention to WIAs) would be adequate. Apart from any positive consumption or employment effects such growth might have, the tax revenues it generates should permit increased public investment overall, including in weakly integrated areas. As far as market-based effects are concerned, employment, investment and income effects have been calculated and projected forwards in some contexts, but are well below the levels associated with, for instance, the Asian Tiger economies, whose industries succeeded in absorbing massive amounts of rural labour and correspondingly in reducing poverty over the decades of the 1960s–80s. Where growth is lower, such effects are likely to be limited to the well integrated areas themselves.

Kenya, for instance, exhibits many of the desirable features of an economy geared to external markets: it has a tourist industry with an annual turnover equivalent to 17.5% of GDP, and a floriculture- and horticulture-based export industry contributing 15% of GDP. However, the evidence of impact by these in weakly integrated areas is extremely sparse, and poverty persists there. Countries such as Kenya are clearly exceptional: many others in sub-Saharan Africa are likely to be much less responsive to growth strategies, whether or not export-oriented, and the size of sub-sectors with potential for rapid growth is much smaller in relation to their overall numbers of rural poor, so that poverty impacts, whether through price, wage or employment effects, will be slow to materialise.

Arguments in this section suggest that the benefits of "enabling" public investment, and of growth processes themselves, are likely to be geared towards well integrated areas. "Trickle out", whether through employment or consumption effects, even in the fastest-growing economies, will take several decades to impact substantively on the majority of poor located in WIAs. In the meantime, there are potentially beneficial initiatives that can be taken within WIAs themselves. Two types of such an initiative are explored below: measures having a largely social protection focus, and measures combining growth with social protection.

Is targeted social protection an option for weakly integrated areas?

Targeted approaches

Targeted approaches aim either to promote growth opportunities among particular groups, or to transfer resources to those such as the sick, elderly or women with many dependents, who are unable to engage fully in productive activity and so may benefit little from growth promotion. Our concern here is mainly with the latter. Fiscal constraints mean that scope for income or consumption transfers to the poor is limited, and some large-scale cross-country econometric studies (e.g.

Dollar and Kraay, 2000) have suggested that "social spending" of all kinds has no statistically significant effect on the poor's share of income. However such studies suffer the same difficulties as identified above, making it unlikely that they will detect significant pro-poor impacts within-country. It is clear, for instance, that old-age pensions can have strong poverty-reducing impacts, but few countries are fiscally or administratively able to implement these. Also, donor commitments to food aid have had beneficial impacts on the poor in some circumstances. However, the potentially negative effects of food aid, along with questions of how far the infrastructure they have created has contributed to a growth in productive capacity, has led some (e.g. Devereux, 2001) to suggest that at least part of such donor assistance might more usefully subsidise agricultural inputs than provide food relief.

India has an extremely comprehensive set of targeted approaches, until recently totalling over 240 schemes, projects and programmes sponsored by central government alone, many of which are purely redistributive. Although in many cases exemplary in the pro-poor features of their design, these have exhibited chronic weakness in implementation (Box 3), prompting one seasoned observer to suggest if the aggregate budget for these of Rs 350bn (US$8.5bn) were simply handed out directly to the intended beneficiaries, it would buy 3 kg of rice per household per day, which would be sufficient to remove undernutrition at a stroke (N.C. Saxena, 2001). Certainly, the inability to deliver such interventions efficiently, even in a country like India, where communications infrastructure is relatively good and education levels among administrators relatively high, bodes ill for the implementation of any effective redistributive measures being developed under PRS processes among the generally weaker HIPC countries. Implementability varies according to the characteristics of individual schemes, and this places a premium on designing for robustness in implementation. More knowledge is needed on how this might best be done.

Box 3. Constraints to implementing targeted approaches in India

Constraints include:

- genuine difficulties in determining at very local level who is or is not below the poverty line, but more often bribery (or political pressure) to include those ineligible and/or exclude those eligible;

- a widespread tendency among the bureaucracy to interpret what are intended to be flexible guidelines as rigid norms, and to supervise junior staff accordingly;

- political pressure to ensure that the bulk of benefits go to supporters of the ruling party;

- a wide range of corrupt practices in which bureaucrats at practically all levels demand payment for performing what ought to be their routine duties (issuing application forms, authorising legitimate applications…);

- tensions between central (i.e. often *funding*) and local (normally *implementing*) bodies. The latter rarely contribute much to funding but may be able to propose locally appropriate adaptation, with, in the Indian case, additional political contestation between States and Union over funding shares, targeting and delivery procedures.

Some types of scheme are clearly more prone to rent-seeking than others. For instance, housing schemes involve individual grants of moderately large sums (typically Rs 20,000 – approx. US$500), so that demands for bribes by minor officials to agree that potential beneficiaries meet selection criteria, obtain the necessary application forms, obtain necessary countersignatures, etc. can reap large sums. By contrast, old-age pension schemes involve very small transfers of around Rs100 per month, which is transmitted through post offices. Once registered, a beneficiary rarely attracts corrupt interests, given the small amount of money involved and its transparent and fairly safe payment system. These patterns argue for a shift in resources towards the less corruptible schemes, such as pensions. But this is unlikely to happen, at least in the short term: the very fact that they are not easy to manipulate means that politicians are not interested in them, so that they lack "champions".

Source: Nayak et al, in press

What kind of growth strategies for weakly integrated areas?

We have argued that conventional market-focused (and often high risk) growth strategies will not always be appropriate for WIAs, and that social protection measures embodying income or consumption transfers face severe fiscal and administrative constraints. Yet, on grounds of poverty reduction and often also of political stability, WIAs require more, and more nuanced, public investment. We now set out the main dimensions of how this might be done.

Focusing policy perspectives on local conditions

Most OECD countries have pursued some kind of regional policy (as indeed does the EU) to promote investment in the more remote areas. PRSPs and other schemes for allocating public investment in poor countries similarly need to be broken down into a number of province perspectives. These will:

- work with people, local business and local government to define realistic visions for development in those areas – which embrace both the farm and non-farm economy – but not exclusively with local people, since outside expertise will normally be required to identify both economic opportunities and pro-poor ways of exploiting them;

- set out priorities and sequences for public investment (e.g. in infrastructure and human capital) in support of this;

- identify how spatially fragmented markets can be managed to protect local producers and consumers from excessively rapid change. Examples would include:

- regulating the import into the area of food aid or other forms of subsidised food to protect local farmers against unfair competition;

- using instruments such as local taxation to regulate "imports" of modern goods (e.g. plastic utensils) which undercut the market for local industies, in such a way that the transition for such industries is gradual rather than violent.

This is not to argue for permanent high levels of protection, nor for province visions that remain fixed over long periods – they must, rather, be "rolling" frameworks, updated at regular intervals in response to emerging opportunities and constraints.

Combining growth and social protection

From a growth promotion perspective, undoubtedly, much can be done to support producers even in WIAs in recapturing some of the major markets recently lost (often to higher-income producers based elsewhere) in major smallholder commodities such as cotton and cocoa (perhaps to a lesser extent in other commodities – tea, coffee, rubber – which have important employment and/or outgrower dimensions, in so far as they are located in WIAs). There may also be opportunities for exploiting market niches for low-weight, high-value produce (e.g. herbs, spices, crop seeds, honey, and non-timber forest products). However, the bulk of farming activity is likely to remain in food products geared to subsistence and/or local, fragmented markets. Where poverty is rife, WIAs are dominated by consumption deficits, in terms of both quantity and quality, and our arguments below are that there are important ways of linking production and social protection to support farmers, labourers and consumers more fully in these contexts – social protection being interpreted here not in the narrow sense of resource

transfers, but in the wider sense of measures which add security to poor people's livelihoods.

One outcome of much of what we suggest would be to strengthen and stabilise local markets. Another would be to accept that the farming and marketing of food staples will remain important in WIAs for the foreseeable future and invest in research and extension to boost its productivity of these. Past investment in research and extension (classically the "green revolution") focused almost entirely on well integrated areas. The latter can increasingly rely on private sector investment, so that public sector resources – from the Consultative Group on International Agricultural Research (CGIAR) institutes down to national agricultural research systems (potentially in partnership with civil society organisations) can gradually refocus on areas of market failure, and they need donor support in doing so.

In all of the above, better understanding of the labour economy is crucial to poverty reduction (since, for many, labour is their principal resource). To generate higher-productivity opportunities for labour, and so enhance returns even in slack periods, and stabilise them between years, is perhaps the most fundamental way of enhancing social protection. This provides powerful arguments for strategic change in agricultural plans and programmes so that they aim primarily to increase returns to labour (and, secondarily, returns to land). This should be done in ways consistent with maintaining or expanding overall volumes of employment, and keeping down the price of food by appropriate sharing of the gains of technical change between producers and consumers.

It is worth emphasising that new policy options of the kind outlined in Box 4 have both supply and demand implications: success in reducing income fluctuations implies more constant levels of demand for food and related products, and positive effects on the price stability of these. Whilst these combinations of production and social protection initiatives have considerable potential, there is no suggestion that they can cover all eventualities. Where social protection can be afforded and implemented, it needs to be provided to those unable to engage fully in production or to benefit from the types or arrangement discussed above. In so far as it is provided, it will represent a further source of enhanced income and reduction in the variability of income, and food prices, and hence consumption.

Box 4. Ways of combining production and social protection objectives (focusing principally on agriculture/NR sector)

i. **Reducing risk and uncertainty** *both* **by increasing the benefits of growth over time,** *and* **reducing their variability:** such benefits may be defined in terms of income or consumption, including qualitative (e.g. nutritional) dimensions. Efforts to reduce *inter-* and *intra*-year variations include: the promotion of new, multi-enterprise farming systems (across crops, livestock, trees) and development of on- or off-farm activities for "slack" seasons; the development of drought tolerant, and pest and disease resistant, crop varieties; improved access to irrigation water; and improved

soil qualities. Seasonal credit needs to be arranged so that repayment is not immediately post-harvest (i.e. when agricultural prices are lowest). Where standards of public administration are good, and seasonal swings in agricultural prices particularly severe, new, streamlined ways of intervening in grain markets can be attempted (in selective and closely monitored ways). In areas of pronounced seasonality of food supply, a particularly important task for the public sector research and extension system would be to develop and popularise early-maturing varieties that can supply food in the hungry season.

ii. **Reducing risk and uncertainty by supporting the pro-poor resolution of conflict over common resources (e.g. water, forest, grazing land):** such conflict may be among different categories of producer, but also between producers and consumers, as in the case of water – poverty effects are likely to be much stronger if domestic water supplies are prioritised over agricultural uses during drought. This may require restriction on the installation and/or use of certain technologies by farmers (such as deep tubewells) which reach deeper into the aquifer than domestic handpumps generally can. More secure rights to land and/or long-term investments such as trees allow these to be harvested to meet household crises. Microwatershed development, where it is handled sensitively, provides a context in which agreement on joint action over the rehabilitation of local resources has positive effects on production and the environment, in addition to reducing seasonality and enhancing people's capacity for local level planning. This is one of the few arenas prioritising societal over individual protection.

iii. **Reducing the vulnerability of poor households to idiosyncratic and covariate shocks**: insurance schemes may help in the latter case, but new models are needed to overcome the cumbersome nature of existing schemes; microfinance (not tied to particular purposes) can help to provide the financial flexibility needed by the poor to meet crises; wider access to telephones can help them to arrange emergency transfers as well as obtain information on productive activities; land reform can enhance their asset-base, and encourage the creation of a long-term asset base such as trees which can be harvested to meet peak expenditures, and formal land title can help them to secure loans.

iv. **Responding to emergencies and to complex political instability**: the scope for combining social funds with more imaginative approaches to agricultural rehabilitation needs to be explored in order to progress beyond current "seeds and tools" approaches.

v. **Helping conflict-affected areas:** support is needed for the development of short- and longer-term livelihood, reconstruction, and mediation strategies for people in such areas. One option could be to identify local CBOs and nodal community members and empower them to work on problem identification, prioritisation and programme planning through to implementation and self-evaluation. Local leaders would have to identify the appropriate entry points.

vi. **Migration (seasonal, permanent) and commuting need to be monitored more closely and supported better**: for the long term, local economic development will aim to reduce "distress" migration and enhance opportunistic, accumulative,

migration. Meanwhile, support to migration will seek to reduce monopolies in transport, accommodation, identification of employment opportunities, etc., enhance mechanisms for financial transfer and reduce the potential losses of entitlements faced by the poor when they are away.

vii. **Improving market integration:** market information flows can be improved and institutions and partnerships built that will facilitate market entry and encourage competition in order to reduce the transaction costs of doing business with and within WIAs.

viii. **Developing the rural non-farm economy:** the RNFE can be developed on several principles, e.g. on the basis that remoteness and high transaction costs bestow natural protection from urban producers, and/or on the basis of adding value through the local processing of agricultural or NR products, especially where this coincides with periods of otherwise slack labour demand.

The need for new local knowledge in support of "growth with social protection"

Many of the options outlined above are knowledge intensive, and require much stronger policy analysis capabilities than are generally found. New knowledge is needed in several areas, including:

- How the labour economy works: long-term trends in employment, incomes, migration, etc.; which own-account producers in the farm or non-farm economy benefit from particular types of change, how and how far; which are excluded (or decline new opportunities), how and why. The same questions need to be explored for labourers, in addition to questions about the causes and effects of structural change, including for instance pressures towards the casualisation of labour markets.

- How the benefits of growth (in agriculture and the RNFE) are traditionally shared at local level between producers and those unable to engage fully in production, and between individuals and local-level *social* undertakings, including social risk management – efforts to combine production and social protection initiatives are premised to some degree on equitable sharing mechanisms.

- What local patterns of conflict exist among different categories of producer and between producers and consumers over access to common resources, to identify entry points and sequences for pro-poor policy intervention.

- What opportunities are available for using development support to WIAs to reduce the risk of civil conflict.

- What opportunities are available for linking relief and development resources to progress out of situations of complex political instability.

- What opportunities are available for developing citizenship and the articulation of voice by the poor in community-based resource management discussions.

- What types of targeted intervention (whether focused on production or transfers) are more robust than others in the face of implementation constraints, and how these might be designed in future.

- How (and over how long) particular kinds of benefit from growth permeate weakly integrated areas. The types of cross-country analysis favoured in econometric modelling shed little light on this – specific country studies are needed.

Conclusions

Much of what has been written here may sound at odds with neoliberal prescriptions in which states merely facilitate and regulate the functioning of robust markets. It *is* at odds with these, and for two reasons: first, at a pragmatic level, many aspects of markets especially in the more remote rural areas, have demonstrably failed to function at anywhere near the level of efficiency that would best serve the interests of consumers or producers. Second, at a level of principle, the conditions faced by many of the poor are such that they cannot engage fully in markets, even for their own labour, or if they could, would run the risk of even deeper deprivation. One of the first duties of states is to enable their citizens to achieve acceptable minimum levels of wellbeing. For as long as the right of nation states to do this is respected, decisions over the role of the state need to be determined against political at least as much as economic criteria. At the international level, this implies a recognition of plural ways for states to engage with (or defend themselves from) globalisation; and, within nations, a recognition that policies can and must be differentiated by area, and this will imply different roles of state and market across areas.[5] This is not only consistent with the long practice of regional policy within OECD countries, but essential for appropriate prioritisation of public investment through national frameworks such as PRSPs, and for the design of modalities for local planning, service-delivery and accountability which are not only locally relevant but are accessible enough to permit the growth of citizenship through such measures as enhanced social embededness, democratic deepening and engaging appropriate external actors (Johnson, 2001). One important difference between developing country "province policy" and the regional policies of OECD countries is that it is often the former which are the most prone to civil strife, especially where ethnic minorities populate the geographical margins. Again, the returns to public funding of development initiatives in WIAs which generate a "peace dividend" (where the alternative is civil strife) are likely to be exceptionally high.

A related choice will be over the options for field testing new initiatives. The assumption underlying PRS processes is that implementation (and, implicitly, testing) will be driven by government. But donor "projects" represent an attractive (and, for governments, a low-risk) alternative, providing that they are designed in

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[5]To re-emphasise: this does not imply efforts to defend in perpetuity some perceived local comparative advantage, nor does it argue for long-term subsidies.

ways which do not step unrealistically beyond the range of options open to government. Certainly, we see strong reasons for promoting donor-supported "projects", both in this mode, and as a vehicle for building policy analysis capability within developing countries, which will be essential if more nuanced approaches to poverty reduction are to be monitored adequately, and course corrections designed.

A third conclusion is that the implementation capacity of most developing countries is far weaker than generally assumed by those advocating new forms of aid, such as PRSPs and budgetary support, and is being weakened further as the full effects of HIV/AIDS come into play. Many of the ideas developed in this paper will have a familiar ring to academics, donors and developing country administrators, and yet only a small fraction of the potential that they offer is being exploited in reality. There is no valid case for donors to bypass local administrations in trying to implement such measures. Yet there is a valid argument for donors to help in building local capacity and in experimenting with novel forms of service delivery which may subsequently be taken up by governments. The pendulum of donor interest is swinging towards "higher level" forms of engagement – PRSPs, budgetary support, fiscal reform, policy advocacy and all that they imply. Yet, these depend crucially for their success on massive improvements in implementation capacity. Without new ideas and efforts here, the new donor interests will prove to be a blind alley, and in the process will seriously damage the wider cause of development assistance.

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Appendix 5

Review of Sida's Monitoring and Evaluation Practice with Reference to Area Development Projects, Partnership Policy, Capacity Building and Good Governance

Anders Rudqvist

1. Introduction

This section consists of a review of Sida's monitoring and evaluation practice with reference to the agency's evaluation objectives and the implications of its partnership, ownership and participation policies. Sida's experiences in the field of organizational learning are explored as well as implications for monitoring and evaluation of a new generation of area development projects emerging in the context of a reorientation of rural development projects, where traditional production and service delivery objectives are combined with broader sector objectives and efforts to support public sector capacity building and good governance in partner countries. Finally, a number of new concepts and initiatives relevant for the preparation and design of the new generation of area development projects are presented. These concepts and innovative experiences focus on citizen participation in public sector capacity building, strengthening of the responsiveness of public institutions vis-à-vis citizens, and good governance at large.

1.2. Monitoring and evaluation

Monitoring is usually defined as the continuous assessment of project implementation in relation to agreed schedules, and of the use of infrastructure, services and other inputs by project beneficiaries. A key objective of monitoring is to provide project management and other stakeholders with permanent feedback on implementation and to identify success, problems or failure as early as possible in

the project cycle, to facilitate timely adjustment. Evaluation is the periodic assessment of a project's expected (and unexpected) relevance, effectiveness, efficiency, impact and sustainability in relation to stated objectives. It should be noted that monitoring and evaluation are intimately associated with, and constitute key instruments for learning from practice and experience. Also, monitoring constitutes the basis for and facilitates evaluation.

2. Sida evaluations – objectives and policy

Sida's two main evaluation objectives are *learning* and *accountability* (control). Evaluations conducted by Sida aim at producing or documenting new knowledge and learning from development interventions which, through appropriate feedback, contribute to improvement of ongoing or new activities. The second objective refers to accountability or control and is associated with the use of the financial resources spent on development cooperation generally or on specific projects.[1] Accountability here includes Sida's own accountability in relation to its board and principals, but it also involves holding partner country governments and administrations accountable for funds provided by Sida. These evaluation objectives should be considered in relation to Sida's views and policy with regard to the concepts of "ownership" and "partnership".

3. Ownership and Partnership

Sida's view of ownership implies that the partner country must have full rights to use the resources provided within the framework of the project agreement, but also be prepared to assume full responsibility, participate actively in the work and be ready to implement an agreed project on its own initiative.[2] Sida has defined three guiding principles for promoting ownership and partnership:

- Sida staff should work actively to ensure that ownership is clarified at the different levels of development cooperation, that it lies as close as possible to the target group and other interested parties, and that their ownership is respected and strengthened.

- In relation to the parties that participate in each project Sida's staff has the task of finding a practical, feasible balance between promoting ownership and exercising control.

- Sida's staff has the task of actively promoting sector programme support and support that promotes popular ownership by the target group and other interested parties.

As a rule, the owner of a project is the cooperating institution or organization with which Sida concludes a project agreement i.e., usually a government institu-

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[1] Sida's Evaluation Policy, Department for Evaluation and Internal Audit, Sida, Stockholm, 1999, p.1

[2] Sida at Work, Sida's Methods for Development Cooperation, Sida, Stockholm, 1998, pp.16, 17.

tion or an organization with ties to the government. Nevertheless, there may exist a hierarchy of "cooperation partners" or "owners" at different levels (e.g., research institutions, NGOs, community based organizations, private enterprises) "owning" different components or aspects of a project.[3] In any case, the view and the commitment of the government remain important factors influencing the character of the partnership and ownership.

At a more comprehensive level and in project practice, the far-reaching partnership and ownership policy implies a series of intricate problems referring to the character of the political regime, the institutions and the mode of governance prevailing in a given partner country. These factors stand out as key preconditions, decisive for the realization of Sida's global development goals as well as for the coherence of the partnership policy with those goals. The character of the political regime and the political will of the partner may, and in various cases actually do [4], enter into conflict with the development goals formulated by Sida.

Governments and more generally, institutions, differ in their attitudes and views on the use and usefulness of evaluation. To a certain extent such differences may also depend upon the purposes and character of evaluation. As we have seen, evaluation should be an instrument for assessing relevance, outcomes and efficiency of development interventions allowing for correction and improvement of development projects and practices through learning, adaptation and modification. Another, no less important aspect is that evaluation is a means to hold governments, implementing agencies and donors accountable for the economic, political and administrative outcomes of development projects and investments.

Attitudes to evaluation, therefore, tend to differ among governments, as well as implementing agencies and donors, along a continuum of positions between the extremes of authoritarian and closed, and more open and democratic regimes. Actually, promoting evaluation in more closed and adverse environments encounters, in many respects, the same resistance and constraints as promoting projects aiming at grassroots organization and participation, anti-corruption or poverty reduction. It requires decided and persistent efforts as well as analyses and understanding of the social and political landscapes in which these efforts are taking place.

To achieve broad and genuine stakeholder participation in monitoring and evaluation, or fulfilling objectives such as learning and holding governments, institutions and donors accountable, requires more than an "isolated" evaluation exercise, including a limited number of stakeholder perspectives in consultation and data collection. It requires, among other things, the development and systematic application of a strategy for participatory monitoring and evaluation, which when turned into practice would also demand more time and resources than what is actually allocated to monitoring and evaluation activities.

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[3] Sida at Work, pp. 18, 19.
[4] Certain of the partner regimes could, in fact, be categorized as predatory.

We are not going to deal in-depth here with the overall policy challenge regarding coherence of the partnership policy with other global development objectives. This coherence issue is important and will be referred to in other sections of this report. Here we will focus on the potential and actual challenges inherent to the learning and accountability objectives of Sida evaluations, as well as on some organizational, operational and practical problems associated with monitoring and evaluation of Sida projects.

4. Learning and Accountability

4.1. Learning

Learning is associated with changes in the way we perceive, interpret and act on our surrounding reality. In development cooperation learning is very closely related to practice. Learning occurs through identification of problems and proposals of solutions, but the final test of learning takes place when a proposal is put into practice, resulting in a solution of the problem or a failure.

Learning, evidently, takes place at the individual level and individual learning deserves full attention. But learning in organizations such as development agencies, is achieved if knowledge of past experience is incorporated in organizational skills, procedures or cultures. Such processes reflect organizational interests, structures, functions and decision-making contexts.[5] So, the development discourse on learning tends to focus even more on how structures, processes and cultures of development agencies and their counterparts in developing countries learn as organizations, and how they succeed or fail in creating conditions which are conducive to individual learning.

In development organizations with multiple and complex objectives and activities it is difficult to establish with any confidence whether observed changes (e.g. in organization, policy, practice or culture) are due to increased knowledge and experience or to spontaneous ad hoc reactions to external influence and change. Establishing whether and why organizational learning occurs is thus associated with many attribution problems. But, in contrast, it seems easier to determine factors that make learning difficult. In the recent study of learning in development cooperation just referred to, the following key factors were identified:

Political constraints referred to earlier and related to partnership and coherence, but also including coherence between different partner country government policies, and to broad and all-embracing development objectives that allow different interpretations by various outside actors according to their own specific interests.

The unequal nature of the aid relationship, which makes recipient or partner countries extremely dependent on the resources offered by donors, and impedes challeng-

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[5] Suhrke, A. (2002) 'From one crisis to another, organisational learning in UNHCR', in Carlsson, J. and Wohlgemuth, L. (eds.) Learning in Development Co-operation, Stockholm : EGDI.

ing the analyses, views and interests of the donor. Information bias and reporting requirements often compel recipient country organizations to provide information about project activities, which primarily serve administrative and programming needs of donor bureaucracies.

Problems related to the organization of development agencies. The complex and open character of development activities entails great attribution problems that make performance measurement difficult and uncertain. Thus, a broad variety of factors, both in donor agency and recipient country, affect the outcome of an intervention. The prevailing long-term perspective of development cooperation further complicates establishing causality and identifying causal links. A single project requires some three years before conclusions through monitoring and evaluation feedback can be made. Large area development programmes and sector-wide approaches may require 10–15 years.[6]

Also the great number and diverse nature of the development goals pursued by agencies add to performance and outcome measurement difficulties and thus hamper learning. The results, therefore, are frequently registered as different degrees of satisfaction among the principals (bureaucrats and politicians) of development agencies, rather than in terms of measurable development impact.[7] It is also common to measure performance with reference to input and output indicators rather than in terms of outcome or impact.

The organizations and capacities on the recipient side are plagued by many drawbacks. Information generally remains at the central level while regional and local organizations are marginalized with respect to both information and participation in decision-making. Local institutions and organizations are few and weak in terms of human and financial resources. Staff turnover is high and communication between local organizations is weak, which constrains accumulation and application of appropriate knowledge and skills.

Sources of knowledge and quality of information. Development agencies, universities and research institutions produce a substantial amount of evaluations, special and ad hoc studies, etc. For many of the partners in development cooperation, however, this information is not very relevant. The reason for this being that the information is often considered as vague, unclear, inconsistent, incongruent and scattered. The criticism has been summarised in the following major points:

- Evaluations are "donor-centric" and are too often used to advance or further the donor's view on how things should be done.

- Evaluations are not easily available, particularly for local stakeholders who often never see the report.

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[6] Carlsson, J. and Wohlgemuth, L. Learning in Development Co-operation, an introduction. Stockholm: EGDI.

[7] Edgren, G. 'Fashions, Myths and Delusion, obstacles to organisational learning in aid agencies', in Carlsson, J. and Wohlgemuth, L. (eds.), Learning in Development Co-operation, Stockholm : EGDI.

- Evaluations rarely provide information about impact and aid effectiveness. Furthermore, they are often methodologically weak and can seldom fulfil basic scientific criteria.

- The recommendations are general, woolly and sometimes difficult to act upon because of their lack of concreteness.

- There is a lack of baseline data.[8]

Learning from experience is essential in complex and variable activities and settings such as those prevailing in the context of development cooperation. A prerequisite for systematic learning in area development projects is the existence of effective monitoring and evaluation systems, which should also provide essential links of interaction between different levels and actors of a project or a more wide-ranging development programme.

Traditional monitoring and evaluation has mainly incorporated the perspectives of a few key stakeholders such as donors, project management, and partner government institutions. Over the last few decades, however, more comprehensive approaches (involving analysis of objectives, means, settings or contexts) have evolved, attempting to include a broader range of perspectives and stakeholder categories in monitoring and evaluation.

Comprehensive and participatory approaches are obviously essential to projects adopting a process or learning approach. Such adaptive process approaches, however, require close and regular monitoring, training of participants and intensive staff involvement. The area development projects included in this evaluation have also, in varying degree and fashion, attempted to apply participatory methods for planning, monitoring and evaluation purposes. In more comprehensive and participatory approaches the orientation and significance of evaluation should ideally shift from exercising control towards constituting a process, forum or space for negotiation, involving multiple perspectives and stakeholder categories.

In a broader perspective, Sida would need to develop a consistent strategy on participatory evaluation methods and an operational practice that acknowledges participation as a dimension running through the consecutive project phases. In other words, preparing and facilitating participatory monitoring and evaluation would start with, and benefit greatly from, activities aimed at initiating and supporting participatory planning.

4.2. Sida and organizational learning

The Swedish National Audit Office, RRV, carried out the so far most significant and systematic assessment of organizational learning in Sida in 1988.[9] Several of

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[8] Carlsson, J. and Wohlgemuth, L. Learning in Development Co-operation, an introduction. Stockholm: EGDI.

[9] Riksrevisionsverket, RRV, Lär sig Sida? (Does Sida Learn?), Stockholm, 1988.

the main findings and conclusions of the study point to problems that are fairly well known and discussed, and which affect not only Sida but also many other development agencies.

As are most development agencies Sida is organised in departments, divisions and other units according to sectoral, functional and geographic criteria or disciplinary specialisation. Organizational analysts and common sense reasoning tell us that this type of organisation involves boundaries and restrictions, which limit multidisciplinary interchange and cross-fertilization across geographical regions and thematic areas. It is also considered to constrain organizational learning. Currently, for example, a discussion is going on within Sida about the appropriateness and effectiveness of the present organizational structure as a means to achieve Sida's overarching objective, poverty reduction.

There is no quick or simple fix to overcome this problem as evidenced by the recurring organizational changes among multilateral and bilateral development agencies over the years. Nevertheless, teamwork across boundaries and focused on project, programme or sector work is one obvious way to deal with this predicament. Most of the tasks of development agencies do require teamwork or cooperation across units, departments or even agencies.

Yet, the 1988 study of Sida reported frequent complaints among the staff that senior managers did not have the time to discuss options, aspects and policy inconsistencies related to a project, study or report. Team learning, thus, seemed to be no priority among senior managers. Also over the last few years staff have been complaining that time pressure precludes much needed discussion of more analytical questions.[10]

Both the 1988 study and subsequent observers have voiced concern over Sida's increasing use of consultants for project implementation as well as for technical and analytical work. The perceived risk is that this kind of outsourcing may drain the agency of technical expertise, and weaken the capacity of headquarters to accumulate knowledge and sense about what is going on at different levels in partner countries and project settings. Furthermore, too heavy reliance on consultants may result in impoverishment of the agency's institutional memory. Especially if the prevailing decentralized organization and management at Sida leaves too much leeway for consultants to influence terms of reference or policy formulation emerging from their own work.

As noticed earlier, one of the common complaints from donors over recipient country organizations is that staff turnover is high and communication between local organizations is weak. Nonetheless, these are not uncommon problems among donor agencies either. The 1988 study of Sida noted with preoccupation the high turnover of staff within Sida, and high turnover still constitutes a serious difficulty for the stability, institutional memory and sustainable organizational learning within the agency. It should be added that weakness of communication with other organizations seems to be a problem also on the donor side since ac-

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[10] Edgren.

cording to well informed observers it is unusual to find Swedish officials expressing an interest in finding out the experience of other development agencies working in the same field.[11]

Institutional memory and organizational learning also depend on the quality, organization and availability of agency documents and archives. Documents, reports and additional project information should be properly archived electronically, and made available quickly and easily. We have observed that partners in development cooperation often find information vague incongruent and scattered. In this respect Sida's archive and document availability leaves a lot to be desired, as evidenced during the preparation of the present evaluation. Actually, Sida's document availability at headquarters in Stockholm was found much worse than Seila's in Cambodia.

Transparency is another, no less important aspect of archives and document availability. The significance of transparency is the reverse of secrecy and free access to information. In consequence, practical availability of documents and information constitutes a precondition for transparency.

The great number and diversity of development objectives pursued was referred to above as a problem for assessment of agency performance and outcomes. Inconsistency, conflict and lack of prioritisation with respect to the Swedish global development objectives was also found by the RRV study to constitute a major obstacle to organizational learning in Sida. Objectives perceived by staff as vague or inconsistent, and neglect to make explicit and prioritise trade-offs between objectives obstruct the staff's understanding of, and capacity to fulfil those objectives. Such ambiguity is also likely to hinder monitoring and evaluation of progress towards objectives.

An old and recognized goal conflict or paradox among those identified by the study is the one between *disbursement and quality* that is not in any way unique to Sida. Managers are supposed to spend the funds allocated to projects or countries, but too often it is impossible to spend the money on time and achieve programme goals (e.g. poverty reduction, democracy, sustainability, etc.) as well. They are forced to spend money on ill-conceived or badly prepared projects to avoid criticism and future budget cuts[12].

Another strategically important paradox is the one between g*rowth and redistribution*. Sida's subsidiary goals for development cooperation[13] and their relation to the overarching poverty reduction objective provide an outstanding example of vagueness and lack of prioritisation. Apparently poverty reduction is the superior objective and implies, almost by definition, trade-offs or goal conflicts with respect to certain subsidiary goals. Yet, no "internal ranking order among the

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[11] Ibid.

[12] Ibid.

[13] Economic growth, socio-economic equality, economic and political independence, democratic development, sustainable use of natural resources and protection of the environment, gender equality.

goals", is suggested. The policy-makers remain satisfied by stating, "interaction between them is necessary"[14].

Economic growth, for instance, can be beneficial or detrimental with respect to the poor. The final outcome depends on prevailing social and economic structures, the outlook of markets and international economic relations as well as on the type of growth fostered (cf. the discussion on "pro-poor" growth). Across-the-board assertions of economic growth as the universal lever for poverty reduction are simplistic and not very helpful.

The poverty targeting in area development projects often derives from this simplistic logic, assuming that by selecting project areas that are regarded as "poor" or "marginal" a focus on poor groups will be attained. In the same way as in the case of economic growth this may or may not be true. The outcome will depend on intervening factors. Also in poor or marginalized regions, closer inspection tends to reveal that social and economic stratification runs through different levels (national, regional, local) and geographical areas of society.

Poor or marginalized areas are generally no less stratified than large urban and economically dynamic ones. The social relationships and mechanisms that produce and reproduce poverty permeate and affect the society as a whole. In consequence, the poor will not be reached only by way of area targeting. A more rigorous analysis of the dynamics of political and economic power structures is needed in order to improve poverty targeting and reduction. The point of departure for such a learning exercise is to identify actual and potential conflicts among development goals and, as a corollary, assign them appropriate priorities.

4.3. Accountability

We referred briefly above to accountability as one of Sida's key monitoring and evaluation objectives. According to Sida's view the accountability or control objective of evaluation serves the purpose of assessing the use and results of Swedish development assistance, and holding the agents responsible for management and use of development resources provided by Sida accountable for their performance.

In accordance with this objective evaluations primarily serve Sida's need and responsibility to report to its board, principals and the Swedish public. Even though Sida indicates that authorities and the general public in partner countries also have a legitimate interest in proper evaluation of Sida supported development efforts, the accountability objective in its present and more narrow conception is mainly serving donor interests and needs.

Many evaluations are carried out with a view to both learning and accountability objectives, but Sida underscores the importance of determining from the outset

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[14] Sida's Poverty Programme, Action Programme to Promote Sustainable Livelihoods for the Poor and to Combat Poverty, Department for Policy and Legal Services, December 1996.

whether the primary objective is learning or accountability, since the main purpose often has significant consequences for evaluation design, implementation and utilization.[15]

Accountability serves the broader purpose of assessing whether funds have been used in accordance with agreed policies, objectives and targets (effectiveness), and whether targets, outcomes and impacts have been reached by reasonably cost-effective means (efficiency). Financial auditing, which is closely related to accountability, focuses on financial management, accounting and adherence to legal regulations related to the use of funds.

In practice there is no sharp boundary between auditing and accountability. Accountability is a broader concept that in varying degree contains auditing elements. Sida policy documents and management comments referring to agency monitoring and evaluation practice give the impression, however, that the auditing perspective prevails in Sida's notion of the accountability or control objective of evaluation.

As noted earlier, there is a tendency in monitoring and evaluation of development projects to focus too much on inputs and outputs at the expense of outcomes and impacts. This short-term and restricted conception predominates also with respect to the monitoring of Sida's area development projects, which tends to put emphasis on progress in terms of outputs neglecting quality, process and outcomes.

A marked tendency to focus on aggregation of data works against contextual understanding and perception of trends and patterns in the data. As a result, many such monitoring and evaluation systems have been unable to produce applicable information on progress towards project objectives as well as on more specific and contextually determined phenomena[16].

Monitoring and evaluating inputs and outputs, and amassing and aggregating data is relatively straightforward. However, this kind of monitoring and evaluation does not meet the demands of the broader notion of the accountability objective, i.e., assessing effectiveness, efficiency and quality of processes and results, and holding authorities accountable. To this end qualitative and participatory approaches are needed to supplement the quantitative methods that prevail at present.

A variety of tensions or conflicts may arise as a consequence of pursuing both the ownership policy and the accountability or control objective of evaluation. In particular since monitoring and evaluation tends to be a donor-driven activity to a high degree dependent on donor interests, needs and funding. Evidence and past experience also indicate that the ownership of monitoring and evaluation systems is highly problematic due to different or contradictory perceptions

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[15] Sida's Evaluation Policy, Department for Evaluation and Internal Audit, Sida, Stockholm, 1999.
[16] Anders Rudqvist, Ian Christoplos, Anna Liljelund, Poverty Reduction, Sustainability and Learning, An evaluability assessment of seven area development projects, Sida Studies in Evaluation, 00/4.

among key actors about objectives, character and crucial requirements related to such systems.

So far, Sida has not offered much guidance and advice on how to "find a practical, feasible balance between promoting ownership and exercising control", or how to "actively promote … popular ownership by the target group and other interested parties".

Sida at Work, the publication outlining the agency's methods for development co-operation, does not provide any strategic or hands-on advice on how to make participation and ownership or participatory monitoring and evaluation a consistent practice in supported projects. Nor does it offer any suggestions on how to exercise control for the purpose of enhancing partner country ownership of projects,[17] or policy advice on how to promote and strengthen the ownership of prioritised groups or categories of people at local or regional levels within the partner countries. We will return below to attempts to operationalize these objectives, in the context of extended approaches to area development and new efforts to develop and reinforce accountability mechanisms and the voice of citizens.

As we shall see in the next section Sida's management and policy seem to establish a clear-cut distinction between ownership on the one hand and exercising control on the other. According to some observers,[18] the agency even seems to set the control and ownership principles against each other. The issue of accountability versus control, thus, is viewed as a problem of reconciling the two principles or finding an appropriate balance. Nevertheless, the validity of this distinction depends on the methods by which control is exercised. If real partnership and ownership has been established and acknowledged on both sides, accountability should not constitute any serious problem.

Reconciliation of the two principles, however, would require a much more genuine and consistent involvement of a considerably larger range of stakeholders in monitoring and evaluation than what is presently the case. As suggested repeatedly, this could be achieved by introducing various forms of participatory monitoring and evaluation approaches which have increasingly widened the perspectives of monitoring and evaluation, and incorporated a broader range of participating stakeholder categories in monitoring and evaluation systems.[19]

These methods strengthen participation by increasing the number of stakeholders and perspectives included. In addition, they reinforce the utilization of the monitoring and evaluation process and results by transforming a system mostly

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[17] Stefan Molund, Ownership in Focus? Discussion paper for a planned evaluation, Sida Studies in Evaluation 00/5, p.4.

[18] Ibid.

[19] Marisol Estrella, John Gaventa, Who counts reality? Participatory monitoring and evaluation, a review of the literature, Institute of Development Studies, Brighton, 1998, Marisol Estrella et al., Learning from Change: Issues and Experiences in Participatory Monitoring and Evaluation, Institute of Development Studies, Brighton, 2000.

for control into a forum for dialogue and negotiation among stakeholders. In this way participatory monitoring and evaluation methods enhance partnership and ownership. Accountability or control will remain an important objective in this kind of evaluation, because the intersection of a variety of different or opposed stakeholder interests and perspectives inherently raises diverse accountability issues and provides a safeguard mechanism for control purposes.

During recent years donors have tended to promote broad sector programmes involving extensive support to capacity building of public administrations in partner countries. The ambition of the new programmes is to enhance donor coordination and integration, and counteract fragmentation and bypass solutions frequently associated with traditional development cooperation. The new generation of Sida's large area development programmes are intended to serve the same purposes by combining traditional production and service delivery objectives with capacity building of regional and local public administrations and institutions to improve their quality, transparency and accountability.

There is obviously an urgent need for reform of public institutions. The World Development Report (WDR) 2001 report *Consultations with the Poor* concludes that poor people perceive central ministries and local governments as distant, unaccountable and corrupt. Despite seeing little recourse to the injustice, criminality, abuse and corruption by institutions, poor people still express their willingness to partner with them under fairer conditions.[20]

Many observers regard the intentions underlying sector support and capacity building as basically sound. Yet, a major concern is that policy makers seem to have neglected, or been unable to address, the key political and institutional factors on the recipient side in analyses of the preconditions for capacity building. Thus, poor administrative performance is too often attributed to insufficient or unqualified management and staff, and financial constraints rather than to institutional and political factors.[21]

In the many cases where political regime, governance and bureaucracy systematically favour economically and politically powerful interest groups it is obviously much easier to tackle capacity building as a technical and human resource problem rather than confronting underlying sensitive issues such as the character of the political regime, the mode of governance or the responsiveness of the bureaucracy to the poor. Accordingly, as practical experiences with capacity building and sector programmes grow criticism has increased against their overly technical and bureaucratic predisposition and character.

As compared to an earlier generation of area development projects where the primary objectives were production and service delivery, the emerging programme generation entails new and complex challenges for monitoring and evaluation. Participatory monitoring and evaluation efforts seem especially relevant

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[20] Deepa Narayan, Robert Chambers, Meera K Shah, Patti Petesch, Voices of the Poor, crying out for change, The World Bank, Washington D.C., 2000.
[21] Molund, p.17.

for the monitoring and evaluation of Sida's larger area development programmes.

In this new context participation has advanced into new fields such as participatory budgeting, auditing and expenditure reviews through innovative efforts to support the "voice" of beneficiaries, increase the transparency and strengthen the accountability of public administration and bureaucracies.[22]

5. Observations on Sida's project monitoring and evaluation practice

5.1. How and why are evaluations initiated? – Sida and other stakeholders

Analysts and evaluation practitioners with experience from Sida's evaluation practice have noted a number of difficulties and problems associated with responding in practice to the objectives and intentions of the partnership-ownership policy. A major study on preparation, design, implementation and utilization of Sida evaluations was conducted recently. It was based on a sample of 30 evaluations, in-depth interviews with programme officers and a survey of Sida staff members.[23] One of the questions raised in the study refers to how Sida evaluations originate and who are taking the initiative to evaluations. The responses from programme officers to these questions suggest that evaluation initiatives often rest on rather vague considerations.

In fact, the most common reason given for initiating an evaluation was that conducting evaluations according to a determined time schedule was part of the project agreement. Obviously, no objections can be raised against monitoring and evaluation being part of the project agreement. What was found too frequently lacking, however, was a carefully prepared and explicit evaluation purpose, understood and agreed by all major stakeholders.

The decentralized organization and management characterizing Sida admits considerable space for programme officers to shape and influence decisions and policies, and it is normally programme officers who take evaluation initiatives. Too many of these initiatives tend to rest on individual, loose and dissimilar grounds. Clear and carefully motivated evaluation purposes and hypotheses, consulted and agreed with project stakeholders, are rarely formulated as a point of departure.

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[22] Anne Marie Goetz, John Gaventa, Bringing Citizen Voice and Client Focus into Service Delivery, IDS Working Paper 138, Institute of Development Studies, Brighton, July 2001.

[23] Jerker Carlsson, Kim Forss, Karin Metell, Lisa Segnestam, Tove Strömberg, Using the Evaluation Tool – A survey of conventional wisdom and common practice at Sida, Department for Evaluation and Internal Audit, Sida Studies in Evaluation, 97/1.

Sida policy documents stress the importance of defining the learning or control purpose of an evaluation from the beginning of the process, since evaluation objectives have implications for evaluation design, execution and use.[24] Already at the initial stage of defining objectives and conceptualising the evaluation, decisions are made which will affect stakeholder participation and utilization of the results. According to the above-mentioned study, however, consultation and participation beyond a reduced number of Sida officers seldom take place during the preparation phase.

 "Whether the evaluation will be used and for what purpose, bears little relation to the evaluation as such. Evaluations are rarely planned and designed with utilisation in mind. They are primarily designed to produce a report".[25] Apparently, the imprecision concerning evaluation purposes and the weak involvement of stakeholders beyond a restricted Sida circle frequently result in limited participation, particularly at the local level. It also entails a weaker sense of ownership and reduces the utilization potential of the evaluation.

5.2. Evaluators and evaluation management

External, independent consultants, often well known to Sida from earlier assignments, carry out Sida evaluations. A few of these evaluators could even be described as in-house consultants. The study just mentioned refers to the complex relationship between evaluators and Sida, noticing that this kind of relationship leaves room for conveying informal views, messages and intentions to the evaluator, which may easily disturb an already unbalanced relationship between the donor and various local stakeholders.

Once evaluations have been commissioned they are often completed rapidly, usually within a few months. On average, Sida evaluations are carried out in 4–8 man weeks and about three of these weeks are spent on fieldwork in the partner country.[26] This time frame, of course, reflects the agency management's view of what constitutes an appropriate resource allocation to evaluation activities. Given the concerns expressed in major studies of Sida's evaluation practice and the ambitious objectives and policies on stakeholder and local participation, as well as ownership and partnership, there seems to be a gap between ambitions and the time frame available to seriously promote and achieve stakeholder and local participation or ownership in evaluation processes.

Evaluations are by definition periodic assessments, generally carried out within a stipulated and relatively short period of time. This is why continuous monitoring of project implementation is important as a foundation for good evaluation. The process orientation that should characterize monitoring means that monitoring also constitutes an irreplaceable opportunity to involve a wide range of direct

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[24] Sida's Evaluation Policy, Department for Evaluation and Internal Audit, Sida, Stockholm, 1999.

[25] Jerker Carlsson et al, p. 23.

[26] Göran Schill, report on time and resource allocation for Sida evaluations, Department for Evaluation and Internal Audit, Sida, Stockholm, fall 2001.

and indirect stakeholders in project activities, particularly at the local level, thereby enhancing partnership and ownership.

We are not referring here to more "traditional" approaches to project monitoring, where such systems are largely dominated by project management together with partner government institutions, and mainly oriented towards serving the specific and immediate needs of project management, government institutions and donors.

What come to mind are rather participatory approaches incorporating a broader range of stakeholders that represent a variety of perspectives in a systematic and process oriented activity. As noticed earlier, such approaches have also expanded into new fields where innovative efforts to increase transparency, and strengthen accountability and citizen voice are being developed.

These efforts seem especially relevant for the monitoring and evaluation of Sida's larger area development programmes where attempts are being made to combine traditional production and service delivery objectives with capacity building of regional and local administrations to improve their quality, transparency and accountability. Regrettably, there are few indications of adoption and application of these new approaches and methods in Sida's monitoring and evaluation systems set up in major ongoing area development projects.

5.3 Feedback of results and use of evaluations

Systematic and routine feedback channels and arrangements are essential for the utilization of the evaluation process and evaluation results. At the same time the conditions and forms of feedback depend on the character of stakeholder participation in the monitoring and evaluation system. Monitoring and evaluation, as well as participation in such activities, is a process and must therefore be planned and prepared as such.

Analysts of Sida evaluations observe that the evaluation process, from the first initiative to the dissemination of the first report, is generally much more extended than the preceding preparation and implementation phases. According to the Sida study mentioned above, evaluation management breaks down completely when it comes to the distribution of the evaluation report. These flaws have negative consequences for the use and usefulness of evaluation results. In the evaluation literature different uses of evaluations and evaluation results are distinguished roughly as follows:

- *instrumental* or *direct* use when interventions are tried and tested and where results from the testing are fed back into planning and implementation of an ongoing or new intervention,

- *conceptual* use where evaluation findings or conclusions gradually permeate an organization and influence policies, programmes and procedures,

- *legitimising* use occurs when evaluations serve to justify decisions or positions already taken on other grounds,

- *ritual* use, whereby the conducting of an evaluation symbolizes expected or desired qualities of the management or the organization,

- *no* use at all, when results are unavailable or potential users do not find the evaluation worthwhile for their thinking or practice with respect to the evaluated intervention.

In practice, one single evaluation and its results are often used in several of the ways indicated above, depending on the context and the stakeholders involved. Different stakeholder categories may be associated with specific types of use of an evaluation. Some types of utilization can be more difficult to assess with any confidence than others. Conceptual use, for example, may require quite some time to develop before it becomes manifest and observable.

A subsequent study of Sida evaluations[27], based on a sample of nine cases out of the above-mentioned 30 evaluations, concluded that instrumental use occurs only in few cases and mostly on minor issues. Conceptual use was found in some evaluations. The information in these cases was not new, but the evaluators' analysis opened up for different interpretations and new solutions to project problems. Several instances of legitimising use, and occasionally of ritual use, were found. The most striking finding, however, was that many stakeholders are not in a position to use the evaluation at all.

Few of Sida's collaborating partners, particularly those in the partner countries, ever see the report they contributed to. The study came to the overall conclusion that the typical Sida evaluation is mainly a concern of Sida itself. Other stakeholders rarely have any use of the evaluation. They have very little to say concerning what is going to be evaluated, the questions to be asked and the selection of evaluators. This state of affairs adversely affects the quality of the evaluation process as a whole, and especially the use of the evaluation findings and recommendations.

In consequence, Sida's evaluation practice does not succeed in responding to the objectives of its global policy, to establish and take as a point of departure, the partnership and local ownership of the supported projects.

Sida as an organization should be well aware of these problems since weak and restricted stakeholder participation in monitoring and evaluation has repeatedly been pointed out in evaluations and evaluation studies as a problem with many ramifications. For instance, one of the main findings of two major evaluations of Sida's collaboration with NGOs, the so-called Proxy Evaluation[28] and a subsequent follow-up of the impact of this study[29] was that the evaluation *process* is at

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[27] Jerker Carlsson, Maria Eriksson-Baaz, Ann Marie Fallenius, Eva Lövgren, Are Evaluations Useful? – Cases from Swedish Development Cooperation, Department for Evaluation and Internal Audit, Sida Studies in Evaluation, 99/1.

[28] Roger Riddell et al, Development by Proxy, An evaluation of the development impact of government support through Swedish NGOs, Department for Evaluation and Internal Audit, Sida, 1995.

[29] Claes Lindahl, Elin Björkman, Petra Stark, Sundeep Waslekar, Kjell Öström, Managing the NGO Partnership – An assessment of stakeholder responses to an evaluation of development assistance through Swedish NGOs, Department for Evaluation and Internal Audit, Sida Studies in Evaluation, 99/4.

least as important as the end result, e.g., evaluation reports, conclusions and recommendations.

As maintained by these studies a consultative and participatory process including consultations with stakeholders and key actors during the planning of the evaluation study, interaction with them during the actual study and especially the feedback of results, stimulates the discussion and allows the evaluation to function as a forum for interaction, even when specific findings and recommendations are not fully shared by the participants in the exercise.

The response of Sida's management to the findings and recommendations of the studies referred to above,[30] is somewhat ambiguous and seems to indicate that important aspects of monitoring and evaluation on the one hand, and participation and learning on the other, are overlooked or misinterpreted at this level. The response stresses that even in cases where learning is the priority, evaluations are normally conducted independently with respect to the directly implementing actors, though these actors are still said to "actively own" the process as regards planning and utilization of the results and conclusions of the evaluation.

When control is the primary ambition, the management affirms "naturally, the active participation in the planning phase of the cooperating partner is limited". Also in this case, however, it is regarded as essential to "seek participation in the utilization of evaluation results, at the same time as Sida has a leading role". Finally, it is also acknowledged that Sida "has a responsibility for the distribution of evaluation reports, conducting seminars, etc, when this is deemed appropriate".

As indicated above, however, learning distinguished from or opposed to control may in some sense be a false dichotomy that conceals the opportunities provided by new forms and processes of monitoring and evaluation where stakeholder participation constitutes the key to both learning and accountability or control.

6. Sida's monitoring and evaluation practice as related to area development projects

As part of the groundwork for the present evaluation Sida carried out an evaluability assessment of a sample of Sida supported area development projects to analyse how poverty reduction, sustainability and learning had been tackled in those projects.[31]

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[30] Management Response with Regard to Sida Studies in Evaluation 99/1, Are Evaluations Useful, November 2, 1999.

[31] Anders Rudqvist, et al., Poverty Reduction, Sustainability and Learning, An evaluability assessment of seven area development projects, Sida Studies in Evaluation, 00/4. The project sample included: Rural Employment Sector Programme, RESP, Phase III, Bangladesh; UNICEF Social Development Programme, Bolivia; Amhara National Regional State Programme, ANRS, Ethiopia; Cambodia Area Rehabilitation and Regeneration Project, CARERE2, through UNDP; Local Land Management of Natural Resources, LAMP, Tanzania; Rural Water, Health and Sanitation Programme, HESAWA, Tanzania; Mountain Rural Development Programme, MRDP, Vietnam, whereof the CARERE and Amhara projects are also included in the present evaluation.

One of the key questions of the assessment referred to how well the projects were equipped with adequate systems or mechanisms for feedback, learning and adaptation, and to what extent lessons from earlier and actual experience were incorporated into modification of approaches and new project practice.

6.1. The organization of Sida's monitoring and evaluation systems

All the reviewed projects (except to some extent those implemented by agencies other than Sida)[32] had in common a formal system for monitoring and evaluation consisting of a monitoring and evaluation system at the project level, which is linked to Sida, the Swedish embassy and the partner government through quarterly, semi-annual or annual reviews or planning meetings. To follow up project implementation embassy and/or headquarters departments are responsible for examining project reports and conducting a dialogue with the cooperation partner. In addition, Sida contracts so-called "supervision," "follow up" or "monitoring" teams that conduct monitoring on a periodical basis, generally through annual missions. External evaluations conducted periodically, and special or ad hoc studies carried out occasionally, constitute a complement to the system components mentioned above.

6.2. Monitoring, evaluation and learning – conclusions from the evaluability study

The review of the project sample resulted in a gloomy impression of the state of monitoring, evaluation and learning systems and of the projects' capacity to learn from experience and practice. This situation appeared to extend beyond the projects themselves to characterize also the monitoring, evaluation and learning relationships established between Sida departments at headquarters, embassies, implementation consultants, monitoring teams and partner country governments. More than constituting a coherent *system* for interaction, assessment, learning and adaptation the key elements, actors and links involved seemed to be disconnected, apparently performing a series of ad hoc tasks and activities without clear objectives and direction.

The area development project review left the impression that neither the individual parts of the systems nor the links and dynamics between the parts were performing adequately. Considerable evidence also indicated that the systems disregarded or were particularly weak as regards the learning aspect of monitoring and evaluation.

Logical framework analysis that should constitute the conceptual point of departure and mainstay for further monitoring, evaluation and learning, seemed to be a donor-driven and formal exercise in most projects. In some of the projects the logframe planning had been introduced, but had never been followed up and re-

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[32] So-called multi-bi projects financed by Sida and implemented by a UN agency according to an agreement with the particular UN agency and the partner country government.

ally adopted. In other cases it was applied only at subproject level, but in a detailed and cumbersome way and without gaining much impact on overall project management, monitoring and decision-making.

The CARERE programme was initially planned and designed without the logframe instrument. In the amendment to the project document presented in October 1998 a new logical framework for the project was presented to replace the partial logframe presented in the original project proposal. In the ANRS logframe analyses did exist, but were in many cases incomplete (i.e., devoid of targets or levels above outputs or activities) and viewed as irrelevant by national actors. There was no apparent effort in this programme to use logframe analysis as an internal tool for monitoring, evaluation or learning. Further, the poor quality of the documents rendered them unusable by external monitors.

In a few cases ambitious attempts had been made and significant attention had been paid to establish information, monitoring and evaluation systems at project level. Nevertheless, these attempts share some fundamental features and weaknesses with the rest of the project sample. The systems thus tend to put emphasis on inputs and outputs, usually in physical terms in relation to targets, at the expense of quality, process, outcomes and relevance in relation to project objectives. Poor data collection and a strong inclination towards aggregation of data impede contextual understanding and perception of trends and patterns in the data. As a result, most of the reviewed monitoring systems were unable to produce useful reports on cumulative implementation progress as well as on specific and contextually determined phenomena or problems.

The evaluability assessment suggested that one reason for the dysfunctional character of the monitoring, evaluation and learning systems at project level is related to the ownership of these systems. More specifically, to the different or contradictory perceptions prevailing among key actors about objectives, character and crucial requirements related to such systems. In some instances the establishment of a monitoring and evaluation system is regarded largely as a donor-driven and formal requirement for funding. In many cases implementing bureaucracies traditionally tend to see themselves as primarily a mechanism for delivery of instructions and inputs to the rural areas. Incoming information and data are perceived exclusively as a tool for planning of input deliveries and not as a tool for reflection on the effectiveness and impact of the system.

In such contexts, monitoring and evaluation of quality and outcomes, especially participatory monitoring and learning, is not an obvious priority. Hence, many of the incongruities within the reviewed systems seemed to stem from the different inherent assumptions (or lack of assumptions) by different stakeholders regarding the role of monitoring, evaluation and learning in the context of development projects.

The Amhara programme was mentioned as an example of the lack of impact of efforts to reform monitoring and evaluation procedures. Considerable support had been provided to the Bureau of Planning and Economic Development, intended to develop their monitoring capacity in general, with improved monitor-

ing of the Amhara programme as an indirect benefit. A major baseline study was initiated, but at the end of the first programme phase this study was still not complete and was not being used as a basis for monitoring or planning of phase two. An elaborate and mechanistic new regional planning system was prepared, but also did not resulted in any concrete mechanisms being put into place.

A monitoring and evaluation system, as well as a baseline, were missing altogether in a couple of the reviewed projects, making it impossible to learn from experience and to assess in more direct ways the outcomes and cost-effectiveness of project activities. The Strategic Evaluation 2000 of the CARERE programme considers its monitoring and evaluation system as perhaps the weakest and least sustainable element of the project. As in several of the other reviewed projects, massive amounts of data and reports were generated but much of this information was found to be of limited use for management and learning purposes.

There was hardly any monitoring of processes and impacts or analysis of the data. The evaluation mission recommended that the system should focus more on what is needed for management purposes and stressed the importance, for learning purposes, of documenting less successful experiences and the lessons drawn from these. Sida's monitoring team concluded that CARERE/Seila's monitoring and evaluation staff as well as that of the Planning Department are still looking for a role and an understanding of what monitoring and evaluation is all about.

According to the evaluability assessment the effects of Sida´s monitoring teams were, on the whole, limited. The approach to monitoring and supervision varied among the teams the majority taking a more process, quality, and analytical stance; while fewer teams represented a more traditional quantitative and output oriented approach. Even if several of these teams had done a good job their conclusions and recommendations, when not entirely neglected, had only been taken into account and acted upon to a very limited extent.

The lack of a systemic approach to applying the advice of different monitoring and evaluation activities appears to stem from poor integration of efforts and lack of consensus among major stakeholders (Sida, embassies, partner country ministries, implementing consultants, monitoring teams, etc.) regarding the role of these inputs in the learning process. Different conceptions or disagreement about what are essential issues or adequate approaches and methods may result in lack of ownership. In this way the monitoring and evaluation systems run the risk of themselves being part of the original problem of poor learning systems, rather than a solution.

6.3. Extended approaches to area development – production and service delivery vs. capacity building – implications and challenges for monitoring and evaluation

During the last few years a reorientation of international development cooperation has been underway and promoted by donors. A major reason for this change

is dissatisfaction with the project fragmentation and bypass solutions distinguishing earlier generations of development projects. These shortcomings have led to a search for new approaches intended to enhance donor coordination of efforts on the one hand and integration of foreign aid with national programmes and partner country governments and administrative structures on the other.

6.3.1. Combining service delivery with capacity building and good governance efforts – preconditions and problems

To achieve such objectives development aid is increasingly being oriented in the direction of sector programmes involving comprehensive support to capacity building of public administrations in partner countries, in order to improve their quality, transparency and responsiveness to citizens. The new generation of Sida's larger area development programmes represents different stages in a potential transition from traditional production and service delivery towards broader sector objectives, combined with capacity building aimed at regional and local public administrations. At present, most Sida area development programmes, including ANRS/SARDP, CARERE/Seila and EEOA, combine production and service delivery with capacity building components in different proportions.

These projects seek to ensure greater sustainability, integration and effectiveness by working through and strengthening the governmental planning, coordination and service systems, in accordance with Sida's partnership policy. Both with regard to partnership, ownership and capacity building, as noticed earlier, the character of political regime and governance in the partner countries constitutes the most decisive factor for the outcome of development efforts. The most problematic aspect of this is that the character of a given political regime or a particular mode of governance are qualities which are difficult to influence by means of the instruments available to development agencies.

Such qualities are essentially determined by the formal and informal systems of rules and norms that are formed within a national historical, cultural, social and political context. These formal and informal rules provide the framework for and define the character of governance and administration in partner countries. Political regimes and governments are expressions of, play by and reproduce these rule systems in interaction with the "civil society". This process shapes, modifies or reproduces the social relationships and institutions at large in a given society. Although critically important for programme outcomes and sustainability, such rule systems (particularly the informal ones) can only partly be influenced through development cooperation.

It is very difficult to tackle directly, through policy dialogue with partner countries or otherwise, the political and institutional determinants and preconditions for capacity building, institutional reform and improved governance. Instead, poor institutional and administrative performance is often attributed to insufficient or unqualified management and staff or to financial constraints. In this way what might be basically a political and governance problem becomes transformed into a technical and human resources problem. This apolitical problem definition re-

solves potential political conflicts in a partnership dialogue, but contributes to the technical, bureaucratic and superficial predisposition of capacity building and institutional strengthening components.

Whether and to what extent development agencies can (or want to) effectively influence or change the fundamental political and institutional determinants just mentioned, is an open question. For donors who want to support capacity and institution building, however, analysis and understanding of the character, dynamics and constraints imposed by these determinants constitute a precondition for reasonable project planning and design. In adverse environments such an analysis stands out as even more important to enable assessment of what is realistic and feasible in a particular setting, which legal and regulatory frameworks or which norms, rules, incentives and practices are relatively easy to change in a desired direction.

In many of the new area development projects an ambiguous and uncertain relationship seems to prevail between the main project objectives. On the one hand there is the production and service delivery objective, focused directly on beneficiary groups. On the other hand, the indirect capacity and institution-building objective aimed at governmental or public administrations and institutions. It is often not clear whether area development projects are primarily instruments for channelling resources to poor people, primarily about influencing partner country governments and institutions (implying that reformed governance will eventually lead to improved conditions for the poor), or pursuing both objectives to the same extent.

Some of the projects see the strengthening of public institutions and increased awareness of the overall context of rural development as a support function to obtain better results in field implementation. Other projects view field level activities as a learning and innovation process which ultimately concentrates on the strengthening of institutional capacity of both public institutions and those community-based associations supposed to be empowered to demand responsiveness, acceptable services and accountability from public institutions.

Clarification of the priorities, trade-offs and potential mutual reinforcement related to the main objectives seems necessary for further progress on design and effectiveness, and as a ground for more effective monitoring and evaluation. With respect to the latter, a major problem is the current ambiguity about what area development projects are really expected to achieve, and the respective weight of main objectives. Furthermore, area development projects are particularly weakly equipped as regards monitoring and evaluation of capacity building and institutional strengthening components.

6.3.2. New initiatives and trends – participants as beneficiaries, clients or citizens

Governmental institutions and development agencies could be viewed as belonging to the supply side when it comes to capacity building, institutional strengthening and governance. The main instruments influencing and shaping interven-

tions here are policy dialogue and distribution of resources. Accountability in this context mainly operates along a "horizontal" axis of institutional oversight, and checks and balances internal to the state. Different forms of horizontal accountability are ensured through various formal mechanisms and institutions,[33] such as: *political* accountability through the legislature (parties, oversight committees, etc.), *fiscal* accountability through controller and auditor general offices, *administrative* accountability through reporting systems linking bureaucracy, ministries and legislature, and *legal and constitutional* accountability through the judiciary.

Purely material and financial support to public institutions is often useless and may even erode the welfare responsibility of the state if not coupled to relevant mechanisms of horizontal and "vertical" (non-state actors) accountability. Development organizations have supported horizontal accountability by strengthening multi-party democracy, public audit and account authorities and the creation of agencies to investigate corruption or reinforce human rights. Attempts have also been made to go further than the procedural focus of fiscal and administrative accountability, to introduce monitoring and measuring of government outputs by means of performance auditing of public expenditure.[34]

There is also a demand side to governance, institutional strengthening and capacity building, which has traditionally been overlooked. Activities on the demand side may consist of support to organization, mobilization and training of community-based and other popular groups in order to build and encourage informed interest articulation, voice and demand. Another demand side aspect is to enable such groups to exert control and to hold governments and other authorities accountable for their governance through vertical forms of accountability.

"Voice" in this context implies various measures, such as complaint, organised protest, lobbying, and participation in decision-making and product delivery, used by civil society actors to put pressure on service providers to demand better service delivery.[35] Beside the general democracy aspect, a key foundation of demand side activities by popular groups and movements is the fact that citizens benefit from certain public services by virtue of their social rights, not as in a market situation, by virtue of their purchasing power.[36]

Consequently, there is a clear link here to the reasoning distinguishing so-called Rights-Based Approaches. Furthermore, poor people are the ones most in need of monitoring and evaluation of public (and private) service providers and other

[33] Guillermo O'Donnell, Horizontal Accountability in New Democracies, in A. Schedler et al. The Self-Restraining State: power and accountability in new democracies, London, Lynne Reinner, 1999, quoted by Goetz and Gaventa.

[34] Goetz and Gaventa.

[35] Albert O. Hirschman, Exit Voice and Loyalty: response to decline in firms, organisations and states, Harvard University Press, Cambridge MA, 1970.

[36] Goetz and Gaventa.

institutions, because the poor have no access to the exit or supplementary options available to better-off categories of people.

Other, recently emerging monitoring and oversight mechanisms, go beyond the procedural focus of fiscal and administrative forms of accountability to emphasize monitoring and measuring of government outputs, such as participatory auditing, budgeting and performance auditing of public expenditure. This development transcends the vertical-horizontal divide and supports efforts that engage citizens directly in the monitoring and supervision activities of horizontal accountability institutions.

6.3.3. Consultation, presence and influence – implications for accountability and participation

Consultation, presence and influence have been conceived as different levels of depth of state engagement with citizens in policy-making or in monitoring and evaluation of governance, institutional strengthening and capacity building[37] where *consultation* allows dialogue and information-sharing ranging from one-off events to more long-term processes. *Presence* and representation involves institutionalising regular access for certain social groups in decision-making (e.g. quotas for normally excluded groups or structured access for a wider variety of associations to public planning and processes). Finally, *influence* translates consultation and presence of community-based or popular groups into tangible impact on policy-making and organization of service delivery.

The latter may occur, for instance, when accountability mechanisms incorporate citizens concerns or preferences in financial audits at local levels, or client satisfaction measures into new performance indicators for public servants, or conceding citizens formal rights to litigate in the event of non-delivery of services. This stage involves, in reality, improved responsiveness and client focus in service delivery or improved accountability in public institutions for horizontal accountability and oversight.[38]

The significance of distinguishing the three levels of engagement lies in the fact that presence and even more so consultation do not lead on their own to policy influence or decision-making power. Establishment of arenas for consultation, presence and representation, or influence to a certain extent determines the framework for citizen participation. We have also repeatedly referred to the character of the political regime and the mode of governance as key factors in this context. A third important determinant is the characteristics of the "client" groups or civil society at large (e.g. level of organization and representation, social, cultural and economic power).

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[37] Anne Marie Goetz, Accountability to women in development spending at the local level: a concept note, paper presented to the IDS workshop Gender and Accountability in Public and Private Sectors, IDS, September 2000.
[38] Goetz and Gaventa.

These determinants constitute the framework for institution and capacity building efforts. They will be decisive for the setting of realistic targets, projects designs, and for the wider opportunities and constraints for projects aiming at institutional strengthening and capacity building. The status of these determinants at the beginning of project activities should be examined and incorporated into logframe and baseline documents for subsequent monitoring and evaluation.

A variety of innovative activities have been tried or are underway in the field of participatory monitoring, evaluation and accountability, both in the North and the South. These experiences and practices as well as the lessons gained from them, will be useful for the design, monitoring and evaluation of area development projects oriented towards strengthening of institutions and capacity building. Categorized by type of initiative and ascending with regard to level or character of participation, these practices have been classified into four broad categories, namely:

- preconditions for voice (projects for awareness-raising and building capacity to mobilize)

- means of amplifying voice – citizens' initiatives (research for advocacy/information generation, lobbying to influence planning and policy formation, citizen-based monitoring and evaluation)

- joint civil society – public sector initiatives (implementation including partnerships, auditing, joint management of sectoral programmes, government frameworks for participatory planning)

- receptivity to voice – public sector initiatives (consultation on client needs to inform service delivery or policy; setting standards, incentives, sanctions, control i.e. efficiency-linked reforms; service delivery ethos in organizational culture; accessible government, information and services; new rights for citizens).[39]

Many of the above initiatives could be regarded as quantitative or qualitative forms of participatory monitoring and evaluation in themselves, which could be incorporated as such from the project planning phase in a logical framework matrix or other relevant project documents, and allocated sufficient time and resources for preparation, training, etc. of project personnel and other stakeholders that need to be incorporated in management and implementation of the system.

These initiatives can at the same time be viewed as institutional strengthening or capacity building components in a particular project and would hence respond to project objectives, outputs or outcomes established in project documents and logframe. Progress towards objectives would then be monitored and evaluated, according to agreed performance indicators, by the project's monitoring and evaluation system. To give an example of what could be relevant indicators for service delivery we will present below a selection of tentative indicators for monitoring and evaluation of service delivery in health and education.

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[39] Ibid.

In practice, these indicators would constitute a point of departure or frame of reference that would need further development, specification and adjustment through inputs from various categories of stakeholders. As we have noticed, such a procedure for selection, negotiation and construction of monitoring and evaluation indicators would also be in line with the methodological principles of participatory monitoring and evaluation as well as with the partnership and ownership policy promoted by Sida.

Variables	Dimension	Indicators
Quality and coverage of services e.g. health and education **Information sources:** – project stakeholders	**Demand for service by the community**	• Knowledge of right to services; level of importance given to this by the community • Motives and incentives to become part of user organizations • Contextual factors which make the organization's role difficult – management of these • Community support of the organization • The organization's successful experiences • Level and quality of implementation; accomplishments vs. expectations • Successful implementation strategies
	Service delivery by entities responsible	• Characteristics of service delivery; actual coverage vs. demand • Quality of the services rendered, timeliness and stability • Problems encountered by clients and agency in service delivery • Contextual factors which make the agency's role difficult – management of these • Facilitating factors • Relationship between the agency and the community

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Area Development Projects, Poverty Reduction, and the New Architecture of Aid

This study looks at area development projects in a perspective of poverty reduction, sustainability and learning. It seeks to find out how some of the long-standing problems of the area development approach, such as targeting and integration of projects with existing policy frameworks and systems of administration, have been solved in three different projects. Formative in purpose, it also tries to identify how area development projects might be retooled to fulfil their mandates more successfully, and to exert stronger influence in an emerging system of aid built around national poverty reduction strategies and programme support. The study argues that area development projects have their main potential as pilots for experience-based model building and innovation. The three projects under review are CARERE/Seila in Cambodia, EEOA in Zambia, and ANRS/SARDP in Ethiopia.

Sida