

Management response statement and action plan concerning Sida Evaluation 02/14: Area Development Projects, Poverty Reduction and the New Architecture of Aid

Contributions for this management response have been received from Natur. In addition, the case studies have been commented on by the Embassies in Ethiopia and Zambia.

1. Background

The purpose of this study was to prepare, on the basis of three case studies of “area development programmes” (ADPs), a formative analysis of poverty targeting and reduction, sustainability and learning, and to support learning and enhance the quality of Sida-supported initiatives in future. Given this background, the study was not intended to be a traditional evaluation of the effects of individual projects. This management response, accordingly, addresses general aspects of ADPs for the future. In addition, certain comments are made concerning the conclusions drawn in the study from the individual case studies.

2. General remarks

It is important in a study of this kind to elevate conclusions and recommendations to a general level, at the same time clarifying important lessons and prioritising improvements which ought to be made. On the other hand an element of caution is called for, because the programmes which have been studied are so disparate that they are not necessarily amenable to generalisation. In Sida’s opinion, the study has succeeded well in this respect. Sida finds many of the recommendations relevant and justified, especially regarding such aspects as more stringent analysis of and focus on poverty, the need for increased learning and the necessity of future ADPs more distinctly highlighting their purposes and adapting dialogue, follow-up mechanisms etc. accordingly.

The synthesis report also includes a discussion at detailed level which contrasts with the expectation of future ADPs being conducted jointly by the partner country and several different donors, and in combination with national/sectoral programmes. Their complexity is growing, and Sida’s possibilities as a single donor of influencing particular details of the activity are correspondingly diminishing. The essential thing for Sida is to pursue questions regarding the basic thrust, such as focus on poverty, follow-up, learning and so on. Given this background, Sida is somewhat disposed to question the realism of the detailed and to some extent research-oriented approach which the study advocates. Consequently, in Sida’s opinion, several of the recommendations made are excessively far-reaching for the future.

2.1 Area Development Programmes (ADPs)

Area Development Programmes (ADPs) are not a homogeneous group of programmes with regard, for example, to focus and purposes. On the contrary, they are extremely dissimilar, as indeed is the case with the three programmes covered by the present study. One feature common to all of them, however, is that most often they are concerned with methods development and, accordingly, are not adapted to overarching planning and budgeting structures in the partner countries. Another is that they require inputs from many different areas of competence within Sida.

In the debate on development there are a variety of “schools” concerning ADPs, as regards their role and their degree of integration with sectoral policy/programmes. Some maintain that if their role is to be primarily innovative, they are not necessarily to be fully mainstreamed, while on the other hand integration is more justifiable where the purpose is more that of directly contributing towards concrete results. This illustrates the importance of being more explicit regarding the purpose of ADPs. Sida considers integration to be justified in both cases and believes innovative and catalytic approaches perfectly feasible as part of an integrated approach, so long as they are clearly expressed and embraced

as targets. The opposite – innovative and catalytic approaches being conducted completely to one side of existing structures – has not in Sida's view led to experiences and lessons becoming replicable and sustainable.

The programmes studied have in several important respects been related to a conceptual apparatus and "yardstick" which they were not designed for. When the programmes were originally planned, neither "sustainable livelihoods" nor PRS or (sector) programme assistance were generally established concepts, and so application of these concepts in the case studies after the event tends to be misleading. The fact is that the evaluation brief called for the case studies to be related to earlier models of integrated rural development.

The advent of these, now central concepts means on the one hand that ADPs can have a clearer and extremely interesting role in future. Parallel to the partner countries devising poverty reduction strategies (PRS) and the donors increasingly co-ordinating/integrating their support for the same and for national development policies at macro level, the need for practical "experimental areas" for reading off results and/or testing different approaches in "practical politics" is being made progressively clearer.

Given the palpable shortcomings to which follow-up mechanisms at macro level are most often subject, it is reasonable to suppose that ADPs will survive. Sida support of ADPs in future will be determined by Sida's assessment of whether they can play a strategic role in the partner country's PRS implementation.

It is probably also true to say that development co-operation in (sector) programme form stands to benefit from being combined with initiatives having this express supplementary purpose. Otherwise there is a palpable danger of risk assumption and innovation deferring to traditional "delivery".

If ADPs are to play these roles, their design and follow-up must be realistically constructed. The roles are highly desirable in Sida's opinion, but they pose great challenge to the partner as well as to Sida. Since, as already mentioned, initiatives of this kind do not normally fit in with existing structures in the partner country, special efforts are needed in order to organise and co-ordinate the resources necessary for planning, implementing and following up the programmes. Within Sida itself, capacity is needed for co-ordinating analysis, planning and follow-up. It follows from Sida's field vision that the embassies will incur much of the responsibility for providing this co-ordination and, in close interaction with Natur, Inec/Näring and Deso/Desa, mobilising the resources which this organisationally and methodologically demanding work requires. The challenge lies in combining the innovative, catalytic approach with realistic targets clearly rooted in reality. Sida's role in ADPs is not to support exclusively research-oriented approaches but to support ADPs which, if successful, can be replicated and produce concrete results in the combat against poverty.

Another factor which it is important for Sida to consider carefully in its preparation and consideration of ADPs is that the partner will also have other motives – besides learning – for ADP development initiatives.

These may, for example, concern the management of politically sensitive issues (ethnic minorities, land law issues etc.) on which a broad and fully transparent dialogue may be hard to achieve.

3. Specific remarks

For a clearer conspectus, the conclusions and recommendations in the study have been grouped and responded to in the following blocks:

- The poverty reduction target and its operationalisation.
- Learning.
- Role and approaches of future ADPs.

| 3.1 The poverty reduction target and its operationalisation

Sida agrees that there should be greater insistence on poverty focus (stratification, vulnerability analysis etc.) in dialogue and the preparation of initiatives. Insofar as future ADPs are related to national strategies for combating poverty, Sida should be guided by current poverty analyses, e.g. from the PRS processes. Sida's country strategies are increasingly based on these analyses and supporting data, and this should be the starting point of all Sida-supported initiatives in the country ADPs included. The quality of current poverty reduction strategies in the partner countries, however, is generally none too high compared with the requirements described in the evaluation. This makes clarification of the level of aspiration an important policy issue for Sida – is Sida be satisfied with existing national strategies or aim for a higher standard?

Sida supports the notion that the future role of ADPs should be clarified and can benefit from being directly related to PRS processes, national development plans, sectoral support and suchlike. A broader poverty concept and clearer links between measures and effects (monitoring) are therefore important issues for dialogue. This can also entail Sida more systematically providing support, for example, for improvements to PRS and central functions for its implementation.

A broadening of the poverty concept spells a great need for being able to work with initiatives and competencies from different Sida departments. Development of this kind is already underway in practice, but mostly on an informal basis.

3.2. Learning

The study presents many factors illustrating the difficulties of achieving a good learning process in development co-operation – within the initiatives, between different initiatives, between partners, within Sida and so on.

Compared, for example, with the World Bank, Sida undertakes relatively few broad-based studies aimed, for example, at identifying best practices. Sida's approach is more situation-specific. The balance between generalisations – based on best practices – and situation-specific approaches is an important issue. Current trends ("new architecture of aid") make it reasonable to go in for more comparative studies of the ODI variety and for a clearer feedback of experience from ADPs to policy-making fora, especially in the partner countries. This makes it important to find a reasonable level at which one will not get bogged down in details.

In order for learning to find its rightful place in development co-operation, it will have to be expressed very clearly as a purpose, and learning incentives will have to be built into the initiatives. This is a question to which great importance should be attached in the overarching dialogue with Sida's partners, and one which must be made clear at an early stage in the preparation of initiatives. The question is of the kind which ought to be dealt with in the country strategies.

A number of major ADP initiatives have been followed up with the use of permanent advisory groups (PAGs), i.e. consultant teams which have carried out ongoing follow-ups and specific studies in conjunction with the initiatives. There is reason to analyse whether this system should also be applied in future. In order for learning to work, the cooperating partner must be genuinely interested in, and be the owner of, the follow-up mechanisms, which for the most part has not been the case where the PAG system has been applied. The PAG model has served as support for Sida in the dialogue connected, for example, with annual reviews, and should in future be justified by a need of this kind rather than as a mechanism for learning. Sida intends carefully examining the need for PAG in the individual instance.

The pressure for maintaining a high tempo in development initiatives (disbursements, service delivery etc.), like high personnel turnover, is a reality which cannot be ignored but results far too often in learning aspects being neglected. Sida agrees that consideration should be given to measures for the

more systematic creation of learning opportunities. These aspects should, for example, be included in the project design from the outset (logframe), great emphasis should be put on systematic monitoring, resources and mechanisms to this end should be assured, and learning opportunities should be in-built. These should be seen as questions of method which are not necessarily unique to ADPs and ought therefore to be raised on a more general level. Measures should be realistically framed, which for example can be achieved with monitoring systems which are balanced with regard to clarity, manageability and amenability to follow-up.

3.2 Role and approaches for ADPs

One crucial question is whether ADPs are to be justified purely as areas of experimentation and control for broad-based programmes or PRSP processes. Sida finds this a narrow perspective, and one which in all certainty would not be espoused by the partner countries. On the other hand it is important that the relation of ADPs to national policy should be made clear and their purposes expressed more clearly in future initiatives.

4. Responses to the specific recommendations

1. The study recommends that training and subsequent training in poverty reduction and other overarching issues of development cooperation policy and methodology be recurrently provided to Sida staff. Sida agrees with this, and a special project for communicating Sida's view of poverty, *Perspectives on Poverty*, will be conducted during 2003 and 2004, in direct conjunction with such essential processes as country strategies etc.
2. The study recommends developing the poverty focus of current and new ADPs. Sida agrees that the focus on poverty, learning and integration of ADPs generally can be substantially improved. The focus, in Sida's view, must be on ensuring the integration of these issues with the planning and preparation of new ADPs. The recommendations made in the evaluation will provide a point of departure for the preparation of a new ADP phase in Zambia (EEOA), but it is worth mentioning that within the Ethiopian ADP (SARDP) a revision of current programme documents is in progress, aimed at putting greater emphasis on local level, intensifying the analysis of poverty and clarifying the interventions at local level aimed at the poorest target groups.
3. The study draws the conclusion that systems both for baseline studies and for monitoring and evaluation of ADPs are generally too weak. Sida agrees that the ADP follow-up mechanisms should be strengthened – and even elucidated as a basic requirement for Sida's support of initiatives – but is *doubtful* regarding the level of detail which the study suggest. If this approach is taken too far, ADPs are liable to become excessively sophisticated “islands” in the activities concerned. The availability of relevant basic data and indicators should always be secured so as to facilitate follow-up, and in this respect there are obvious deficiencies at present. One important issue for Sida to pursue is the need for a reinforcement of the partner's systems and capacity for evaluation. Sida intends to develop quality assurance in these respects, as outlined below.
4. The study recommends that a clearer analysis of poverty segmentation be carried out through new initiatives and that the impact of anticipated results on different target group categories be made clear. Sida agrees that all development assistance initiatives relating to the overarching poverty reduction target should be underpinned with a substantially improved poverty analysis, not least in ADPs, and that outcome indicators are important for follow-up.
5. The study recommends that all ADPs should include models for testing approaches and learning. Sida agrees that resources should be secured for learning functions within the initiatives, but it is more important, in a dialogue with a partner and any other donors, to clarify the purpose and to create a structure of incentives beneficial to learning. Great importance should be attached to these questions, especially in the introductory preparation phase, but they should also be clearly apparent from the programme documentation and should be a standing item of follow-up.

6. The study recommends Sida to reconsider its views of ownership and partnership. Sida's basic view is clear. The partner is responsible for its development efforts. Sida's role is to support the partner, through a close dialogue based on the fundamental values of Swedish development co-operation concerning the poverty perspective, rights perspective and equal opportunities perspective, in creating opportunities for development. Sida intends elaborating its views on ownership in development co-operation in its management response to the evaluation of ownership.
7. The study recommends that all ADPs should clarify the way in which partners (administrative bodies, the private sector) are intended to replicate the outcomes and how policy-making is to be affected. Sida does not agree and does not find it realistic to demand prior specifications of the policy changes which ADPs are expected to give rise to. Experience of an ADP, and the decisions made in the light of that experience, must be founded on the actual outcomes of the individual programme and cannot be determined in advance. On the other hand, ADPs should clarify mechanisms deciding when and how experience from ADPs will be collated and introduced into other contexts relevant to a policy dialogue and policy development. That is to say, follow-up mechanisms should be integrated with ADPs, the question should always be included in annual reviews and suchlike, and the handling of these questions should be included in the initiative agreements.
8. The study recommends that Sida broaden its sustainability concept to include questions concerning the ability of poor people to make their own choices in life. Sida notes that its view of poverty, Perspectives on Poverty, is essentially based on this broader concept.
9. The study recommends that the role of the private sector in ADPs be clarified. Sida agrees that the relation of ADPs to the private sector needs to be clarified and developed, not least considering that the role of government in recent years has grown increasingly limited, e.g. in the agricultural sector but also in other areas. This question, however, is not only pertinent to the private sector but should be no less valid concerning the role of civil society, e.g. in the provision of services, creation of public opinion etc. In Sida's view, however, role issues, learning, capacity development etc. regarding the private sector and civil society are not unique to ADPs. On the other hand, ADPs can present opportunities, for example, of experimenting with these issues.
10. The study recommends that Sida develop its view concerning exit strategies in project preparations and that it recurrently examine this issue in project reviews. Sida agrees that exit strategies are a highly important issue. The overriding choices are made in country strategies, in which the focus of co-operation with a country is defined regarding both the choice of areas and time horizons. It is essential, moreover, to maintain a recurrent dialogue with the partner on the time horizon of the co-operation and the long-term viability of the activity. At programme and project level Sida requires assessment memoranda to include discussions of the prospects and prerequisites of support beyond the current contract period. The rating system which is being introduced in 2003 includes, as a basis for dialogue and decisions concerning measures to be taken, including a possible phase-out, an annual assessment of the risks of a programme not achieving targets defined for it.
11. The study recommends that ADPs at the planning stage make clear how they are to affect national poverty reduction strategies (PRSs). Sida does not agree that this is realistic beforehand. On the other hand Sida agrees that ADPs have a very interesting potential for influencing/improving PRSs, and that Sida should here search for possibilities, not least through the possibility of practical experience accruing from ADPs being fed back and leading to PRS revisions. Taking the PRS as starting point for preparation is of course a basic point of departure for all development co-operation measures, in keeping with Sida's Perspective on Poverty.

5. Action plan

The action plan deals with those measures which have not been decided on in any other context. In an interdepartmental project, the operationalisation of Sida's Perspectives on Poverty in work on country strategies and preparations will be an important issue for the coming year. Implementation of this project is decided on separately by the Director-General of Sida. As support for Sida's work (both ADPs and other development assistance measures) with e.g. improved stratification and vulnerability analysis in poverty reduction work, Sida at Work (*Så arbetar Sida*) will contain a general guide to poverty analyses. In addition the Policy unit will compile a more detailed guide to poverty analyses.

1. Revision of current position papers for rural development

ADPs are an important part of the project portfolio which NATUR is responsible for or takes part in, and this situation is expected to continue throughout the foreseeable future. Work, based on Sida's new PRS (Perspectives on Poverty), is in progress within NATUR, aimed at operationalising the strategy, above all with regard to rural development and with a heavy focus on poverty issues. To broaden the dialogue and contribute towards greater learning, other Sida departments concerned, together with a number of fields, will be taking part in this work. Additional embassies will be invited to join in the concluding phase of this work. The most important conclusions from the present study, especially those concerning methods questions, will be integrated with this work, which it is expected will conclude in the autumn of 2003.

Responsibility: Natur

Timeframe: 2003

2. Reinforced dialogue with and support to the field on strategic ADP issues

Most of the embassies in countries where Sida is supporting ADPs will be delegated within 1 or 2 years. The conclusions drawn in the study should therefore also be communicated and discussed in the field, so that recommendations can de facto be translated into practice. This includes ways in which Sida can involve itself in PRS processes and policy dialogue, ways in which initiatives can be linked to this dialogue, the focus and level of aspiration of initiative preparations, and follow-up mechanisms.

The ongoing strategy work (see above) is one way of also discussing and establishing in the field the conclusions drawn in the study. The outcome of this strategy work will be launched in various ways (writing, the Intranet, seminars) with a view to creating ownership both in Sida (at home and in the field) and among external partners.

(An important part of Natur's communication plan for 2003)

Responsibility: Natur

Timeframe: autumn 2003 – spring 2004

3. QA methods for ADPs

Sida has a generally strong interest in ADPs contributing towards a more poverty-oriented and effective policy in the recipient countries. Both greater emphasis on dialogue in strategic issues and improved quality assurance are needed to make this possible. The evaluation arrived at the conclusion that the effects of earlier ADPs had not been possible to evaluate, owing to deficiencies affecting, for example, baseline data and to lack of clarity concerning targets and anticipated outcomes. Conceivable changes in the quality assurance of ADPs include, for example:

- attaching far greater importance to the initial stage of project preparations, so as to clarify links with poverty problems and policy development in the recipient countries;
- inventorying experience of different monitoring systems;
- defining reasonable requirements for baselines and monitoring systems;

- reviewing the design of special monitoring teams (PAGs);
- tightening up routines for monitoring projects
- introducing clearer links to poverty issues and follow-up mechanisms in the project agreements.

A final proposal is to be drawn up for reinforced and revised QA and learning procedures, focusing both on the partner's needs and Sida's.

Responsibility: Natur, in association with the departments and embassies concerned

Timeframe: spring 2004