



MAY 2007
DEPARTMENT FOR POLICY AND METHODOLOGY

In support of Sida's
struggle against poverty:

The role of the Department for Policy and Methodology



Published by Sida 2006, revised 2007
Department for Policy and Methodology
Layout by Press Art AB
Printed by Edita Communication
Art. no.: SIDA 22194en
ISBN: 91-586-8274-0

Aiming at a common approach

For nine years I was responsible for the Sida programme in Eastern Europe. I learned a lot from that. I saw the necessity of a practically oriented support for policy and methodological issues. Not too many papers to read but rather guidance applicable in the specific context we worked in. I realised the crucial importance of institutional change and capacity development in our partner countries. And step by step – moving to the impoverished part of the region – I realised the need for broader poverty analyses.

I make use of those experiences at POM. Our department was created at a time when development cooperation was fundamentally changing according to the MDGs and the global efforts to increase aid effectiveness – which in Sweden is reflected in the policy for global development with its sharpened poverty focus. The assignment of POM is directly related to this process of change. We want to promote a common approach to poverty reduction within Sida, rather than a fragmented one with a range of uncoordinated policies.

POM contributes advice, support and knowledge within several areas including poverty analysis, harmonisation and multilateral institutions. Our point of departure is experiences from the field and the needs expressed by colleagues in the field. To achieve the best possible result we need to network with and mobilise competence from the entire organisation.

With your feedback on the methods and policies currently governing our operations we can improve them. With improved methods and policies we will get closer to achieving the overall goal of contributing to create conditions for poor people to improve their quality of life. This brochure is designed to give insight into how POM can support Sida staff in the field. I hope it will inspire you to contact us and share your questions, thoughts and ideas. Our doors – phone lines and mailboxes – are open.



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POM at work

The Department for Policy and Methodology (POM) was formed in April 2004, with a mandate to manage and coordinate the work around Sida's policies and methods. POM aims to ensure that all Sida operations are characterised by the development goal as well as the rights perspective and poor people's perspectives on development.

POM's role is to create a shared vision regarding poverty alleviation within Sida. With this in mind, the department has established a network called POM Forum, which is a platform for Sida's accumulated policy and methods work. At POM Forum meetings, there are representatives from the field online, either by telephone or video. There is also a mail network to POM Forum, with contact persons at different Embassies and Field offices. Even though POM has an overall responsibility, the majority of Sida's policy and methods work is carried out in the sector departments. They have the responsibility for the central elements listed beside. POM is itself responsible for Global public goods.

DESO:

Respect for Human Rights,
Democracy and good governance,
Equality between women and men,
Social development
and social Security

INEC:

Economic growth

NATUR:

Sustainable use of natural resources
and protection of the environment

SEKA:

Conflict management
and human security

Publications issued by POM

To be downloaded from www.sida.se/publications

Policies/Methods documents

- Goal, perspectives and central elements
– Complement to Perspectives on Poverty
- Sida at Work – A Guide to Principles, Procedures and Working Methods
- Sida at Work – A Manual on Contribution Management
- Sida at Work – A Manual for the Preparation, Implementation and Follow-up of Cooperation Strategies (Regional Department)
- Position Paper Public Financial Management
- Position Paper Poverty Reduction Strategies
- Country Level Analysis for Poverty Reduction
- Integrated Economic Analysis for Pro-Poor Growth (also available in short version English/Spanish)
- Manual for Capacity Development
- Public Finance Management in Development Cooperation – A Handbook for Sida Staff
- Dialogue and Strategic Communication in Development Cooperation, Communication for Development (POM/INFO)

POM Working Papers (a selection)

- 2006:2 Sida Action Plan 2006-2008 for Increased Aid Effectiveness
- 2006:3 Time for Rethinking – Capacity Development in a Changing Landscape of Development Cooperation
- 2006:4 Current Thinking on the Two Perspectives of the PGD
- 2007:1 Inventory of Programme Support at Sida 2000-2006

Country Economic Reports (a selection)

- 2006:4 Economic Development in Timor-Leste 2000-2005
- 2006:5 Migration and Pro-Poor Growth in Albania – An Integrated Economic Analysis
- 2006:6 Angola: Surfing the Oil Market
- 2007:1 Understanding Rural Poverty in Cambodia

POM provides support to the following areas

Poverty focus and Policy coordination

- ★ POM is responsible for Perspectives on Poverty and Sida at Work. The department provides a source of knowledge for poverty analysis including participation issues and the perspectives, for PRSs and for development cooperation methods.

• **Inside:** Supporting Functions >> Methods & Support >> Poverty Focus

- ★ POM coordinates Sida's policy and methodology documents, i.e., through a structure that demonstrates how different policies are interconnected.

• **Inside:**>> Governing Documents >> Policies

Aid effectiveness

- ★ POM coordinates Sida's implementation of the Paris Declaration on Aid Effectiveness. It includes alignment to strategies and systems of partner countries, increased programme support, result orientation and increased harmonisation.

• **Inside:** Supporting Functions >> Methods & Support >> Aid Effectiveness

Multilateral coordination

- ★ Since the beginning of autumn 2005, POM has responsibility for the coordination of Sida's cooperation with multilateral agencies such as the World Bank, UN, EU and DAC with the aim of raising the multilateral perspective within Sida and improving the interplay between multi and bilateral development cooperation.

• **Inside:** Governing Documents >> Multilateral policies (Swedish version/Inside)

• **Inside:** Supporting Functions >> Methods & Support >> Multilaterals (Swedish version/Inside)

Capacity Development

- ★ POM is also responsible for policy and methodological development on capacity development.

POM coordinates Sida's development of methods to support Capacity Development in our partner countries and plays a role in sharing good practices in this area.

• **Inside:** Supporting Functions >> Methods & Support >> Capacity Development (Swedish version/Inside)

Anti-corruption

- ★ POM coordinates Sida's participation in international policy and methodological work in the area of anti-corruption and supports departments and the field offices in corruption-prevention efforts.

• **Inside:** Supporting Functions >> Methods & Support >> Anti-corruption (Swedish version/Inside)

The Project Committee and the Peer Review Committee for Cooperation Strategies

- ★ POM forms the secretariat for two central quality assurance functions: Sida's Central Project Committee and the Review Committee for Cooperation Strategies.

• **Inside:** Organisation >> Committees >> Project Committee

• **Inside:** Organisation >> Committees >> Review Committee

Programme-Based Approaches including Budget Support and Sector Programme Support

- ★ POM develops policy and methods concerning programme support, including budget support.

• **Inside:** Supporting Functions >> Methods & Support >> Programme-Based Approaches (Swedish version/Inside)

Poverty focus in practice

Poverty focus is at the core of Sida's work. Poor people's perspectives on development and the rights perspective should be at the heart of everything we do, say or write.

"It certainly is a challenge! Right now we put a lot of effort into finding ways to ensure that poverty focus is at the core of the results based management approach," says Ina Eriksson, adviser for poverty focus and anti-corruption. "Improving our ability to contribute to results for women, men and children living in poverty may be seen as the objective of the aid effectiveness agenda expressed in the Paris declaration."

Most of Ina Eriksson's work is carried out in cooperation with the field offices, embassies and other departments at Sida Stockholm. Often her help is needed in a cooperation strategy process or in preparing a sector programme.

"Every cooperation strategy requires both broad and deep understanding of poverty in the country-



Ina Eriksson



Understanding people's realities through social analysis, immersion

The poverty analysis is a key area for working practically around and applying the two perspectives. One approach is social analysis, for which POM is currently developing a method. "Besides the economic and power analyses, the social aspects of poverty are important to understand, as they often determine people's roles and positions in society," says Esse Nilsson, socio-cultural adviser at POM. "Social analysis makes our work on the perspectives clearer as it identifies people, social and cultural structures and patterns in society," continues Esse.

The aim of the social analysis is to give Sida staff a basic understanding of social analysis and to be able to assess whether the social aspects are covered in a PRSP or a project draft. If social aspects are not covered, the Sida em-

ployee needs to be able to specify the required input. This is important not only within the social sectors, but also in sectors like infrastructure, financial services, agriculture and trade – and at all levels of society.

Immersion and reality checks are two other methods that can help explore the two perspectives. POM arranges seminars around immersions, has put together an immersion resource pack and supports staff who plan to conduct immersions. During the country strategy process in Bangladesh, for instance, the embassy arranged a mini-immersion as part of the country meeting. The whole group left the meeting room and spent a couple of days in a village talking to ordinary people about their wants and needs related to health and education.



specific context,” Ina explains. “In order to gain that understanding Sida needs relevant analytical tools.”

Poverty analysis at country level is such a tool, consisting of three dimensions: the economic, the social and the political. The analysis is always context specific and can be carried out at country level and regional level as well as in a specific sector. When examining these dimensions we need to understand both formal and informal structures, both obstacles to and existing resources for poverty reduction. Joint poverty analysis with partner countries and other development cooperation actors sets the ground for shared understanding, dialogue, alignment and harmonisation.

Ina’s ten years of field experience in Latin America is of course an important part of her understanding of how the poverty focus can be put into action.

“I realise that my own experiences are very valuable for my work here, but my knowledge is also context specific,” Ina concludes. “Comparing our different field experiences we find similarities and differences that can be useful both in policy and practice.”

ersions and reality checks

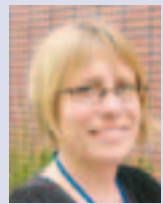
“It is important to have your own experience. If you regularly touch base with people living in poverty it is easier to relate to their realities and thus to apply the perspectives and principles – participation, non-discrimination, accountability and transparency – in our work,” Esse says.

In Bangladesh the embassy is determined to include the perspectives and principles in its continuous work and has chosen to call it “APPA”, Applying Perspectives and Principles in Action. The country strategy now awaits approval from the Swedish government; meanwhile the embassy is starting the work with reality checks.

“This next step is about finding ways to apply the principles in the continuous work on following up on results and evaluating the sector programmes,” says Esse. The use of reality checks is one way of doing this.

Reality checks, in this case, mean that a team of researchers select a number of villages and neighbourhoods located within the geographical area targeted by a sector programme (health and/or education). These villages and neighbourhoods are then visited once or twice during the strategy period. Through visiting the same people at repeated intervals qualitative data is gathered that reflects experiences of the actual improvements and results for people living in poverty.

“Finding ways to apply the perspectives in practice will always be on-going work – and the best way to do it is through mutual learning and cooperation between Sida HQ and the national field offices,” Esse concludes.



Esse Nilsson

Stronger focus on poor people as economic actors with Integrated Economic Analysis

Despite the intense focus on “pro-poor growth” in recent years, our knowledge about the links between economic growth and reduced income poverty is still weak. That is why Per Ronnås, POM and Susanna Lundström, INEC have developed a new methodological approach: Integrated Economic Analysis.

“It is primarily about identifying the obstacles preventing poor people from benefiting from growth,” says Per Ronnås as he explains the model.

While we have knowledge about the macroeconomic conditions in our partner countries, we tend to lack an understanding of the underlying vulnerabilities and potentials of the economy as well as of the economic actors, not least when it comes to the role of poor people as economic actors.

“It is important to see the difference between creating economic growth and creating conditions that are conducive to economic growth,” says Per Ronnås. “People create growth while institutions and governments create the conditions.”

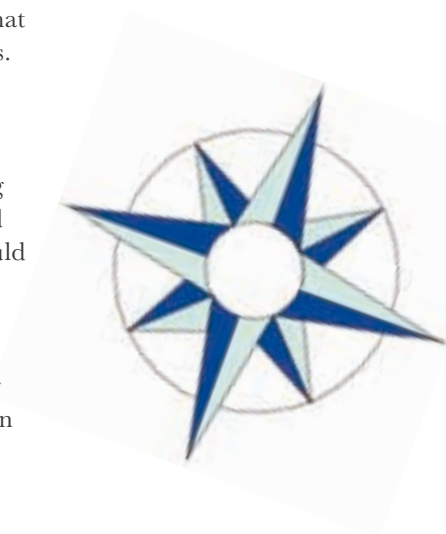
The Integrated Economic Analysis connects the micro- and macro environment through integrating the analysis of employment, investment climate and the macroeconomic situation in the country. It should ideally be linked to political/power analysis and social analysis.

Conducting an integrated economic analysis as a basis for a country strategy process is a good start for a pro-poor growth-oriented strategy. The method can also be applied to regions or even at a local level.



Per Ronnås

“People create growth while institutions and governments create the conditions.”



General budget support for poverty reduction



Anna Holmryd

One of the tasks of the Department for Policy and Methodology is to lead and coordinate Sida's policy and methodology work regarding programme-based approaches, including general budget support for poverty reduction.

POM gives advice and develops guidance in issues related to budget support. One example is the work led by POM in developing internal procedural guidelines for the preparation of, decisions on and results monitoring of general budget support.

In recent years, the budget support instrument has changed. Its character as a long-term instrument for poverty reduction is increasingly emphasised, as is the need for budget support to be predictable and aligned with the budget process of the partner country.

"There is certainly room for Sweden to improve here, as shown by the budget support surveys undertaken by the Strategic Partnership with Africa," says Anna Holmryd. "One improvement that partner countries ask for is that budget support should be committed in longer agreements," she adds.

A common view is that budget support can only be granted to countries that have effective public financial management systems. But budget support can be relevant in different country contexts. This was one of the conclusions drawn in a recent international evaluation of general budget support.

"Budget support can promote developments in the right direction by helping to strengthen national systems and processes. It is based on mutual commitments and dialogue about policies, reforms and results for poor people," Anna Holmryd explains. "But it is also important that people have opportunities to hold their governments accountable."

Budget support has a clear role to play in implementing the Paris agenda. POM is working in close collaboration with other departments and embassies to make the instrument more effective.

Field experience guides multilateral support

What is Sweden's position on development cooperation run by EU, UN and the World Bank? This is a recurring question for Inger Axell and her colleagues at POM who work with multilateral coordination.

“We have frequent contacts with embassies concerning their cooperation with multilateral agencies. Field-level experiences are most important to enrich Swedish positions at Board meetings and other HQ events,” says Inger Axell, “not least in light of the ongoing UN reform (‘Delivering as One’)”

“POM emphasizes that we, together with others, are ‘owners’ of the multilaterals, and as such we have a responsibility for their performance at field level,” says Inger Axell, who emphasizes the role of the multilaterals in the implementation of the Paris Declaration. “Without them – no success. The UN Reform process as well as coordination with the European Commission should be looked upon as part of the Paris agenda. However, European harmonisation or UN efforts must not be exclusive but rather build on ongoing, wider harmonisation efforts.”

The Government has recently decided upon a new Strategy on Multilateral Development Co-operation. A more active and strategic approach towards the multilaterals is desired, given the big amounts channelled through them both from MFA and Sida.



Inger Axell

“ *The new Swedish Strategy for Multilateral Development Cooperation points out the importance of a strategic approach towards the multilaterals built on an assessment of their effectiveness and relevance.* ”



Photo: Hidajet Delic/Pressens Bild

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The Department for Policy and Methodology (POM) was formed in April 2004, with a mandate to manage and coordinate Sida's policies and methods. With feedback from field offices, embassies and Sida Departments on the methods and policies currently governing our operations we can improve them. And with improved methods and policies in development cooperation we will come closer to achieving the overall goal for development cooperation.

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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