

Moving Forward
Reducing Poverty through Social Development

Third CIDA Roundtable on Poverty Reduction

Background Paper

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Daniel Morales-Gómez Ph.D.
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SDP - Social Development & Policy Group

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Executive Summary

Reducing poverty is central to the Canadian Government foreign policy. The aim is to strengthen people's individual and institutional capacities to manage and overcome the structural conditions of deprivation and exclusion. Advancing its commitment to poverty reduction, *CIDA's Social Development Priorities: A Framework for Action* (SDP) furthers the focus of programming on key social development priorities.

The roots of poverty are as complex as those of development itself. Equally complex are the frameworks to approach poverty reduction. The current debate points at a number of characteristics of poverty: structural; systemic; multi-dimensional; dynamic; comprehensive; and long-term. CIDA's own experience in poverty reduction and in addressing basic human needs (BHN), and that of other agencies, offer many relevant lessons. Issues such as how to integrate SDP into an existing poverty reduction policy framework; how to move forward in SDP without completed Action Plans; how to identify the most suitable programming approaches; how to work with and integrate various actors and stakeholders into programming; how to work in an environment where the "project approach" still dominates; how to deal with new programming options; and how to fill existing skills and knowledge gaps? are some of the challenges to address.

This paper offers an overview of the conceptual and operational implications of linking CIDA's Social Development Priorities to the various dimensions of poverty in light of *CIDA's Policy on Poverty Reduction* (PPR). Examining areas in need of attention, the paper argues that linking the SDP to the PPR effectively will depend on the ability of CIDA's management and staff to re-adapt systems and programming practices in light of the SDP priorities. Most importantly, it will require reaching a greater coherence across poverty reduction policies and programs. This implies integrating into Agency practice the assessment of its and others' experiences and the effective monitoring and measurement of progress; the identification of which programs and approaches best reflect the corporate vision; and the strengthening of an enabling environment to achieve the goal of poverty reduction through selected social development priorities.

Introduction

Canada’s Commitment to Poverty Reduction

Reducing poverty is central to Canadian foreign policy. The goal of Official Development Assistance (ODA) is to “support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable and prosperous world.” (CIDA, 1996a) Poverty reduction is a multi-dimensional, multi-sectoral process that addresses the causes of deprivation and the underlying structural social, economic, political, and cultural inequalities.

In the 1990s, donors and international organizations renewed efforts to design poverty reduction strategies and mainstream poverty with varying success. The World Summit for Social Development (WSSD), and later the Summit +5, reaffirmed the goal of reducing poverty and enhancing the quality of life of the poor. (WSSD, 1995:42) Currently, CIDA is advancing its commitment to PPR by focussing programming on key social development areas through the *Social Development Priorities: A Framework for Action* (SDP). The aim is to meet the international consensus and development challenges, and respond to developing country needs more effectively. (CIDA, 2000a) Meeting poverty reduction goals by focussing on social development and human security needs presents challenges and opportunities.

This paper discusses these issues and presents an overview of the conceptual and operational implications of linking CIDA’s SDP Framework to the various dimensions of poverty in light of CIDA’s *Policy on Poverty Reduction* (PPR). The paper does not intend to convey a definitive view of the issues but rather to provoke discussion. It outlines the complexities of both conceptual frameworks and their implications for programming. The analysis contributes to the Third Roundtable on Poverty Reduction, which is expected “to enhance CIDA’s organizational capacity and effectiveness in implementing the SDP by stimulating learning about conceptual and programming issues relevant to ensuring a positive impact on poverty reduction.” (CIDA, 2000b)

1. The Social Dimension of Poverty

The past decades saw unprecedented progress in improving the conditions of people living in poverty. Income, education, and health indicators show overall gains in the decline of poverty. (World Bank, 2000a; 1996) Despite these improvements, poverty continues to be pervasive the world over.

In many of the poorest countries in Africa, Asia, and Latin America, poverty has fallen slowly or even risen. Between 1960 and 1990, the income gaps between rich and poor widened from 30:1 to 60:1. Developing countries’ debts have doubled from a decade ago to US \$1.4 trillion. An estimated 1.3 billion people live in extreme poverty, 70% of which are women; 20% of the world’s

population survives on a daily income of less than US\$1; 1.75 billion live without safe water; 100 million are homeless; 800 million go hungry every day; and 14 million children die every year before reaching the age of five. (World Bank, 2000a; Jolly, 1998: 10) Efforts to address the structural causes of poverty struggle with the theoretical and practical complexities of the problems.

1.1 The Evolution of the Poverty Reduction Thinking

Poverty is as complex as development itself. Equally complex are the frameworks from which poverty reduction is understood and development approaches since the 1960s reflect this complexity. Modernization, basic human needs, structural adjustment, and sustainable development all look at the causes of poverty and identify policies and solutions to rectify the situation. (Nicholls, 2000)

Shifts in understanding what poverty is, and how and by what means it can be addressed and measured are reflected in the progression of these views towards a broadening concept of poverty.¹ Is poverty primarily an issue of income levels and consumption? Is it about a lack of access to the means and services to meet basic needs? Is it about the capacity and ability to participate in society? What is certain is that there is not one overarching, universal, definition of poverty. (Maxwell, 1999)

Recently, new dimensions broadened the debate. The preparation of the *World Development Report 2000/2001* (WDR), set in motion the project “*Voices of the Poor*” to enhance the understanding of the reality of the poor lives. The project claimed to do this “directly, through poor people’s own voices,” using participatory and qualitative research. (Narayan et al, 2000: xv; 1999) The WDR put forward a framework for action based on three ideas: expanding *economic opportunities* of the poor by building up their assets through market and non-market actions; *empowering* the poor by making state institutions pro-poor and removing social barriers to poverty reduction; and enhancing the *security* of the poor by helping them to manage risks. (World Bank, 2000a; Lusting and Stern, 2000)

A number of issues characterizing poverty emerge from the debate:

- **Structural.** Poverty is a phenomenon rooted in the basic relations of institutional and collective power (i.e. political, economic, cultural) that make-up a society at a particular point in time.
- **Systemic.** Poverty is a process and an outcome of collective (rather than individual) political, ethical, legal, and institutional systems set in place to reproduce a given social formation.
- **Multi-dimensional.** Poverty goes beyond basic needs, income, and consumption. It encompasses the right and access to services and non-material goods; the right to dignity and to be included in society, and to security and the opportunity to share the benefits of growth.
- **Dynamic.** Poverty is a non-homogeneous state that changes with shifts in the social, political, natural, and economic environments, evolving differently for individuals in similar environments.

- **Comprehensive.** Poverty is a multi-level process affecting people’s lives as producers, citizens, and spiritual beings. It expresses itself at the macro, meso and micro levels.
- **Longer-term.** The effects of poverty reach well beyond single episodes of shock (i.e. natural disasters, war, unemployment). It affects present and future states, decisions and opportunities.

One of the commitments reached at the WSSD expands the understanding of poverty. Commitment number two states that eradicating poverty requires “decisive national actions and international cooperation as an ethical, social, political and economic imperative of humankind.” (WSSD, 1995: 14) This explicitly recognizes the “social development” dimension in addressing poverty.

Despite the convergence of goals at the international level, various issues remain points of contention:

- **Hierarchy of Priorities.** Poverty reduction takes different degrees of importance: an overarching goal; an explicit policy; one among many objectives; a single program or project focus.
- **Clarity of Definition.** Most agencies are engaged in internal debates about what poverty means; who is “the poor;” and what are the areas of overlap with other priorities.
- **Dimension of Poverty.** While most agencies recognize the complexity of poverty, there is wide diversity in the understanding of the key dimension of poverty.
- **Causes of Poverty.** There is a range of interpretations about why poverty occurs; how to identify the structural causes of poverty, and how to distinguish between causes and symptoms.
- **Identification of the Poor.** Agencies often include “targeting” as a feature of their strategies, but identifying who the poor are and at what level of aggregation to target them remains problematic.
- **Gender and Poverty.** Women are frequently identified as a target. However, there are concerns that gender equality and gender analysis are narrowly subordinated to poverty reduction actions.
- **Measuring Poverty and Progress.** A key area of debate is measurement. There is a lack of tools and indicators to objectively measure poverty (i.e. income / consumption; individual / household; snapshot / cyclical; absolute / relative). There are weak systems, mechanisms and indicators to measure progress towards poverty reduction (i.e. input / output / impact).

1.2 The Concepts of Social Development and Poverty Reduction

Social development is a process of human growth. It does not depend only on getting the “fundamentals of macro-economic policy” right. It implies creating a supportive environment of integrated social policies and better distribution of the benefits of economic growth based on social equity. Social development is a foundation upon which human development flourishes, political development provides a framework of rights, and economic development becomes sustainable. Like poverty, social development is understood from different perspectives. (Midgley, 1992) For some, it is the welfare state. For others, it is the socialization of cost and benefits and the build-up of institutional and legal frameworks balancing competing interests. Social development is also the development of systems to provide effective entitlements to maintaining the quality of life. Others see it as a series of remedial policies, mechanisms, processes and programs to protect the poor. Yet, for others, it is a means to reduce poverty. However, none of these views is sufficient by itself.²

When “*Social*” is added to the notion of development, it conveys a number of meanings. It may refer to specific **social sectors** such as education and health; to **policies** that benefit the welfare of the poor; to the **context** affecting development outcomes; or to the formal and informal **institutional base** in a society. (Lustig and Stern, 2000; Johnson and Melcher, 1994) However, cutting across these meanings are two common dimensions: a **descriptive** dimension characterizing social development as the conditions of people and their quality of life, the quality and sustainability of their institutions, and the state of their education, health, and security. And a **normative**, prescriptive, dimension placing social development as a goal to be achieved and a desirable end in itself.

Under the latter dimension, social development has become part a broader poverty reduction agenda such as the one outlined by the WDR 2000 / 2001. It addresses inequalities, institutional failures, social barriers and personal vulnerabilities by tackling key social development areas and focussing on social capital formation. (World Bank, 2000a; Ooyen, 2000)

However, there are risks in conceptualising social development in this way, because it

- transforms the concept into a linear “cover all” notion with a meaning not substantively different from others (i.e. human development; poverty reduction).
- limits the understanding to compartmental actions and gains within particular policy sectors (i.e. education; health).
- reduces social development to a desired state particular to specific demographic groups (i.e. the poor; children; women).
- segments social development, and separates it from economic and political development; and
- lessens the scope and impact of social development (i.e. limiting it to an tool to reduce poverty).

1.3 Linking Social Development and Poverty Reduction Frameworks

Linking social development and poverty reduction in a coherent framework is more easily said than done. Governments, donors and international organizations struggle to find the right combination of priorities and delivery approaches within existing financial, institutional, and political constraints.

Key to linking social development and poverty reduction is the identification of social sectors and social sector policies as a strategic avenue to tackling poverty.³ Assumptions are that investing in social sectors allows governments to respond to basic human needs (i.e. basic education, health care, social security); target vulnerable groups (i.e. women, children, the rural poor); develop basic capacities (i.e. infrastructure, private sector, institution building); enhance productivity and economic growth; and complement other development areas (i.e. democracy, human rights, the environment).

Investing in social sectors has an **instrumental** and an **intrinsic** value. Instrumentally, social sector investments strengthen “human capital,” with an effect on productivity, economic growth, and poverty reduction. Intrinsically, social sector investments are a means to secure the rights of people in the access to and use of basic social services. However, the challenges are to find the right “strategic entry point” and programming focus; the need to make hard choices among competing priorities with the resources available; and the difficulties in having an impact on the redistributive factors underlying social development and poverty.

Another attempt to link social development and poverty reduction by investing in social sectors is focussing on the policy level rather than on the provision of services. This leads to reforming the systems and frameworks (i.e. the policy environment) upon which depends the provision, access, and quality of services to the poor. (Angell and Graham, 1995) Social policy reforms in education, health and social security have been viewed as a means by which to address poverty. In contrast to remedial actions addressing short-term problems or relying on traditional welfare systems, it is assumed that improving the design and performance of social sector policies removes systemic constraints; creates better conditions to reach longer-term poverty reduction objectives, and allows the identification of more comprehensive and sustainable solutions. (Vásquez, 1999)

Evaluations of the early effects of these reforms and their impact on poverty confirm some of these assumptions, particularly in the education and health sectors. (Martinic, 2000; Martinic et al., 1999; IADB, 1996) These evaluations also point out, however, that focussing on social sectors as an approach to linking social development and poverty reduction is not enough.

Social sectors have characteristics, which make them a difficult avenue by which to reduce poverty. Performance and progress are hard to monitor (i.e. outcomes and impact). Investment decisions are difficult to make due to the traditional focus on sectoral efficiency and accountability, and to expectations that sectoral actions will respond to broad equity imperatives. Social sectors are vulnerable to the political and institutional climate and pressures from interest groups where the

voices of the poor are not always represented. And social sectors are vast and inter-related areas requiring coordinated actions and strong management capacities to achieve measurable results.

Linking social development and poverty reduction demands not only clarity and flexibility in the strategic conceptualisation of the problems, but also coherence in the way in which agency policies are designed and relate to each other, and in the programming and delivery approaches. The next section, presents an overview of how some agencies are addressing these issues.

2. Donor Efforts in Integrating Social Development and Poverty Reduction

CIDA’s efforts to focus its priorities on a poverty reduction goal contribute to making its development assistance program more effective. The *SDP Framework for Action* and the related Action Plans for its implementation represent steps forward to guide programming options.

The experience of other donors, CIDA’s own work in PPR, and CIDA’s *Policy Performance Review Assessment on Basic Human Needs* are sources of information from which lessons can be learned on how to link PPR and SDP objectives. They show that many of the questions being raised about how to integrate SDP and PPR are not new or exclusive to CIDA’s own organizational make-up or modus operandi. Quite the contrary, similar issues are present in the work of CIDA’s donor partners.

2.1 Complementarities of Goals among Agencies

Multiple efforts among international agencies seek to streamline their poverty reduction work and to coordinate their actions to meet ODA commitments.⁴ Several reports assessing achievements to date show complementarities of goals and strategies in approaching poverty as well as differences among agencies. (UNDP, 2001; World Bank, 2000a; OECD-DAC, 2001; OECD-DAC, 1999)

Poverty reduction activities and pro-poor policies figure prominently in the agenda of international agencies. Most of them understand poverty reduction as a **complex process** both conceptually and operationally; **multi-dimensional**, focussing on the rights of people to dignity, autonomy and social inclusion; **dynamic** as a process affecting people differently as a result of multiple factors; and most agencies recognize that to have a visible impact poverty reduction requires a **broad range of approaches**. However, in the majority of cases, the emphasis remains heavily biased towards economic growth and economic well-being, with social development as an added component.

In fact, social development as a strategic focus does not figure explicitly in the poverty reduction approaches of many agencies. Although most pay attention to social sectors (i.e. education and health), actions often lack articulation and do not respond to a comprehensive understanding of social development *per se*, but to the rhetoric of broad international commitments. Actions are narrowly focussed and sector specific. For example, one report looking at how the international community addresses social development argues that although there is a new emphasis on poverty reduction, “most agencies and governments are adopting a technocratic approach to highly complex social issues,” and their focus is “narrowly remedial.” (UNRISD, 2000)

2.2 Diversity of Strategies. Mainstreaming Poverty Reduction

Shared poverty concerns among agencies translate into a variety of strategies and delivery approaches. These reflect diverse understandings, institutional traditions, and views about comparative advantage, geographical concentration, and political preferences. These also lead to important differences in how agencies mainstream poverty and the priority they assign to social development.

An examination of agencies’ policy statements allows one to identify four types of strategic directions. These represent dominant emphases as in most cases agencies use a combination of them at different levels (i.e. macro, meso and micro levels).

- **Growth Based Strategies.** Economic growth is central to the aid policies. It is seen as a “pre-condition” to poverty reduction (i.e. generating resources, creating a demand for labour, and expanding the demand for services and goods). Growth based strategies have shifted from primarily economic to “pro-poor” concerns. The aim is to increase the poor share of income and create economic opportunities. Despite this shift, pro-poor growth based strategies still fall short of addressing distributional issues and the structural causes of poverty.
- **Empowering Strategies.** Many agencies include in their poverty policies a political dimension. Few, however, explicitly acknowledge politics as a guiding consideration. Issues such as “human rights,” “democracy,” “good governance,” “empowerment,” and “participation” form a coded vocabulary to highlight political considerations in poverty reduction, but these concerns do not have a central stage. When they do, there are ideological biases attached to their interpretation. Only in the last few years, have some agencies begun to adopt more “right-based strategies” covering the political, cultural and individual rights of the poor.
- **Remedial Strategies.** For most donors, poverty reduction needs immediate responses to emergencies and short-term crises (i.e. social funds; humanitarian assistance). A common view is that addressing poverty requires, in some form, “sheltering” the poor from deteriorating conditions. Safety nets, social security and social protection schemes, and pro-poor programs have been some solutions. However, these remedial approaches leave the causes of poverty untouched and often they interfere with government run systems intended to address poverty.
- **Social Sector Strategies.** During the 1990s, poverty reduction strategies began to give an increasing emphasis to investing in social sectors as a means to reach the poor. Investments in basic social services (i.e. education and health) are perceived to play a critical role in enhancing the “human capital” of the poor. In most cases, these efforts are narrowly defined and not well coordinated with government actions or across sectors. Investing in education and health, for example, becomes a way to explain an agency contribution to “social

development.”

Independent of the approach adopted to meet poverty reduction goals, common challenges remain such as how to mainstream poverty reduction to reflect this goal institutionally at all organizational levels and across all programs. How to ensure that policies, procedures, programs and the organization culture work in a coordinated manner? How is to reflect this coherence in the country assistance strategies and programs? and how to nurture a dialogue with country partners and other donors? Available evidence indicates that the ability to create enabling corporate environments with consistent policies and management approaches; appropriate pools of skills; effective flow of information; and agency collaboration is critical. (UNDP, 2001; OECD-DAC, 1999)

A key challenge to agencies in reaching their poverty reduction goals, is achieving **policy and operational consistency** with government policies, internally within an agency, and externally with its partners. Donors and governments are increasingly aware of the ineffectiveness and high costs of inconsistent and uncoordinated policies and actions in poverty reduction and in social development.

Donor countries are often criticized for duplicity of purpose between, for example, their domestic and international policies; their social, political and economic stands; and their channels and agendas for delivering aid. Developing countries are also criticized for their lack of coordination, accountability and priority setting mechanisms to deal with poverty reduction investments. Ways to promote consistency in addressing poverty include: ensuring that poverty reduction priorities cut across bilateral programs and projects; coordinating bilateral policy dialogue with partner governments and civil society agencies; creating partnerships to influence the agendas of multilateral agencies and developing country partners; ensuring consistency across agencies operating under the ODA envelope of funds; and collaborating with civil society institutions and non-governmental organization.

2.3 Poverty Reduction, Social Development and Integrative Approaches

To make ODA more effective in reducing poverty, new initiatives are emerging that translate into coordinating instruments and approaches to deliver bilateral and multilateral aid (OECD-DAC, 2001; 1999). The objective is to integrate efforts and resources, and identify comprehensive ways to respond to the needs of countries across social sectors.⁵ CIDA’s SDP approach claims “*CIDA will emphasize new approaches to development cooperation that will help increase the effectiveness of Canada’s aid program. It will use an integrative approach to ensure that programming in one priority area also contributes to work in the other priority area.*” (CIDA, 2000a)

Although differing in terminology, integrative approaches have common characteristics. They deal with the effectiveness of ODA by contributing to the development of a positive policy environment; increasing ownership by stakeholders; ensuring government’s ability to respond to cross-sectoral priorities; and improving local institutional capacity. They intend to meet six criteria: sector-wide in scope, follow a coherent policy framework, involve local stakeholders in decision-making, reach donors agreement, find common implementation arrangements, and limit long-term technical

assistance to a minimum. Their aim is to coordinate all significant funding to a sector within a common policy, management and planning framework, with government leadership. (Foster et al. 2000; Jones, 1999; Norton and Bird, 1998; Harold, 1995)

These approaches claim to operate within defined sector policies and accountable and realistic strategies. However, the literature shows discrepancies between the principles and the practice. There is a danger that the weaknesses of the “project approach” is re-invented; the opportunities for strategic review and/or negotiations are limited; and there is little incentive for regular monitoring review. (Ractliffe and Macrae, 1999) Others note that these approaches are restricted, often resulting in a collection of sub-sectoral strategies and earmarked projects with little integration. Eligibility and appropriateness have also attracted attention as the criteria allowing countries to benefit often impose demands that the most needy countries cannot meet. (Bentall et al., 2000)

3. Closing the Gaps. Programming Challenges and Opportunities

Since 1996, CIDA’s *Policy on Poverty Reduction* (PPR) has been the cornerstone of the Agency. Compared to earlier steps to meet social development and poverty objectives⁶, the PPR established a policy “to guide poverty programming in a manner which promotes sustainability and builds self-reliance to increase the coherence and effectiveness of CIDA activities.” (CIDA, 1996b)

The *SDP Framework for Action* and the Action Plans on the social development priorities (basic education; basic health and nutrition; HIV/AIDS, and child protection) will bring the PPR into focus. The SDP Framework calls for the need to work in several fronts: making developing countries fully participant as equal partners; strengthen CIDA’s capacity to affect policy positions; expand the range of inter departmental cooperation; build stronger partnerships; and follow an aggressive five-year investment plan on four priority areas. However, questions are likely to remain about the implications of linking these strategies:

- Does the SDP Framework contribute to CIDA’s goal on poverty reduction? How is SDP to be integrated into the existing PPR? and how will new programming options be addressed?
- What are the main policy, and strategic elements underlining CIDA’s PPR and SDP approaches? How can the SDP Framework be moved forward in the absence of completed Actions Plans? and how will this be done in an environment where the “project” approach still dominate?
- What lessons have been learned from CIDA’s work on PPR that are relevant to SDP? How are the most suitable programming approaches to be identified? and how will the existing skills and knowledge gaps be filled?
- What relevant lessons on best practices can be learned from other donors? and how can CIDA best work with and integrate various actors and stakeholders into programming?

CIDA’s PPR work since the mid 1990s offers useful insights. Internal and external reviews and consultations including the Performance Review Report on Basic Human Needs (CIDA, 1998) shed light on issues that are likely to re-emerge in the future:

- **Clarity of Mandate and Framework.** Despite an extensive debate, there is a need for a common understanding about the PPR and social development. Entrenched practices, interpretations and misconceptions about what these mean coalesce with questions about how PPR and SDP relate practically to each other and to human development, social exclusion, basic human needs, and sustainable development. These issues are likely to add pressure to further clarify the conceptual and operational boundaries. (Nicholls, 2000; CIDA, 1999b; 1998; 1996b)
- **Perception of Competing Priorities and Tradeoffs.** Organizational practices, the scope of the PPR agenda, and the overlaps with the SDP Framework could lead to a need for a greater focus as priorities compete for resources. The value of fluid communication, effective tracking mechanisms, and operational guidelines should not be underestimated. (CIDA, 1999b; 1995)
- **Articulation and Coordination.** The linkages between policy, programming and delivery do not follow a linear path. The need for better communication about who is doing what and how it fits into the corporate vision, creates the need for articulation and coordination at the policy, program and project level across the organizational structure. (CIDA, 1998)
- **Short versus Long-term Perspective.** Focussing on SDP is likely to lead to different views about the extent to which the poverty reduction mandate is being met over the short-term. Changes in the international environment, internal demands for accountability, and pressure to demonstrate results and affect often work against longer-term programming. This is likely to add to the need for commitment, to the chosen policy directions at the highest levels, and consistency in management structures. (CIDA, 2000d; 1999b)
- **Measurement of Progress.** A challenge mentioned in past reviews of CIDA’s work is that of tracking and measuring progress. This is perhaps one of the single issues defying the work of most agencies. A focus on selected priorities may assist in addressing this challenge, provided that programming is guided by realistic objectives and time-frames, and by clear technical and operational criteria. (CIDA, 2000d; 1999b, 1996b)
- **Partnerships and Complementarities of Efforts.** International commitments, political decisions, and the debate about the role of aid all contribute to setting agendas which are no longer exclusive to the mission of a single agency. PPR and SDP are examples. This is compounded by the lack of congruence between the magnitude of the problems and the resources available. Past work on PPR shows that there is a need to complement efforts within CIDA, among various Branches and programs, and between agencies through innovative partnerships. (CIDA, 2000d)

3.1 Implementing the PPR-SDP Vision and Identifying Effective Approaches

Implementing the vision of reducing poverty with a focus on social development requires more than well-crafted policy statements or pursuing further conceptual clarity. It also entails inter-related approaches and actions at various levels:

- **Identifying the Value Added and Building on Comparative Advantages.** A focus on SDP will narrow down the scope of PPR programming, maximize resources, target efforts and investments, and seek more in-depth impact. Achieving these ends, however, requires identifying at the program and project levels, the value added of SDP activities compared to current practices and those of CIDA’s partners (i.e. HIV-AIDS; Child Protection).
- **Re-defining the type of partnership required** by an integrative approach goes beyond procedural changes in resource allocation and delivery. It implies building on strengths and on lessons learned to avoid duplication, and make significant policy interventions. Prioritising sectors (i.e. education, health) is not enough without assessing the work of others to identify complementarities. Choosing the right partners and geographic focus facilitates sharing expertise and making use of local comparative advantages. On-going assessment of success and failures and effective feedback mechanisms within the Agency and with its partners is a means to share lessons learned.
- **Mainstreaming SDP, PPR and Going beyond the Sectoral Niche.** Maximizing the PPR impact under SDP requires poverty and social development concerns to be present throughout. This involves ensuring that the organizational culture and procedures, the country assistance strategies and interventions, and the dialogue with partners reflect the chosen priorities. It implies going beyond sectoral niches. Individual and institutional capacities are often defined within sectoral boundaries (i.e. expertise, administrative and accountability systems, and perceptions of comparative advantage). Skills make-up, organizational structures, and funding allocations within agencies do not always facilitate across-sector work. Adopting an integrative approach implies moving beyond individual sectors with the right balance of expertise, incentive and budgeting systems, and organizational settings.
- **Strengthening the Internal Capacity.** Adding a sense of ownership and commitment to SDP implies ensuring that there is the appropriate capacity and expertise to translate policies into practice. Promoting flexibility in task assignments and identifying the appropriate in-house expertise is central to integrative multi-sector work. This implies cultivating specialized knowledge, skills and expertise at the program level in key SDP areas through teamwork, exchange of information, and training in a cross-sectoral and multi-disciplinary fashion.
- **Consolidating an Enabling and Responsive Environment.** Bringing the SDP into focus is

expedited by corporate efforts (i.e. promoting dialogue at the programming level; strengthening structures that promote learning; promoting a positive management atmosphere; and establishing the guidance, incentive and monitoring systems that create a sense of ownership among staff). This, however, must be complemented by approaches that are more responsive to demands on the ground, closer to the poor. The experience to date with integrative approaches is mixed. They do not guarantee a greater impact on poverty reduction or a greater focus on social development needs. Early integration of government input into programming and stakeholder involvement in program design and evaluation could inject the needed balance.

- **Embracing an Accountability Culture.** Monitoring and evaluation systems do not ensure that expectations about progress are realistic or that staffs see these systems as a positive input to program effectiveness. Together with effective incentives, there is a need for practical and realistic means to monitor progress and for nurturing a culture of participatory evaluation and collective accountability between the Agency and its partners. Where the “project mode” is prevalent, traditional monitoring and accountability systems are less suitable to an integrative approach. Project driven systems respond to donor management and reporting requirements that demonstrate links between inputs and results. Integrative approaches aim to break this pattern. This raises questions about capacities on the ground. It implies revisiting, for example, existing Result Based-Management systems; developing mechanisms for shared upward and reverse accountability; shifting the focus from accountability to donor to accountability to stakeholders and beneficiaries; and building capacities in those areas where expertise is lacking (i.e. research; data analysis, statistics; evaluation and assessment).
- **Shifting the Project Mind Set and Promoting Coherence.** The “project mode” has been a preferred vehicle for aid delivery. Projects give staff a sense of ownership, technical and professional fulfilment, and results. Projects give agencies control, accountability, and a targeted sense of impact. And recipients see projects as “on demand interventions” to produce short-term results. An integrative approach implies changing this practice. It requires ensuring that program planning and delivery, accountability and monitoring, and the capacity of staff and the partners are appropriate to implementing the new modality. Integrative approaches through area-based programs and problem focus institutional networks are mechanisms to explore further. However, working on several fronts, across social sectors, in a multi-dimensional multi-disciplinary fashion, and with diverse partners requires maintaining the coherence of policies and programs both within the Agency and with partners. Adapting reporting mechanisms, and setting formal and informal exchange information, and monitoring and assessing progress contribute to this end.
- **Re-defining Partnership.** Central to an integrative approach is the cooperation between donors and between them and governments within a sector or multi-sector strategy. This implies shifting the way in which donors complement each other’s work, and the relationships between donors and southern partners. It requires greater consultation at the programming, implementation, and evaluation levels. It also implies re-defining the quality of partnerships based on principles of institutional development, shared expertise and capabilities, and mutual learning. Effective and efficient flows of information through institutional and expert networks are central to this purpose.

3.2 Monitoring in SDP and Choosing the Right Tools

Monitoring and assessment is essential to bridging the PPR and SDP. Measuring progress requires choosing the right tools to assist staff at the program level. CIDA’s work on PPR, and the work of other agencies shows that this is a complex undertaking. Although the SDP helps to narrow the scope of the PPR, the implementation of SDP is likely to face challenges in the identification of outputs and outcomes, short-term results, and causal relationships between the Agency actions and changes on the ground. To address these challenges the following steps merit attention:

- **Setting Realistic Milestones and Measurable Targets.** Outcomes and impact in SDP are often the result of multiple causes that are difficult to isolate. This is compounded by reporting and administrative demands from various levels (i.e. internal, domestic, international commitments, partners), which often do not correspond to the reality of the recipient, and overload staff and those implementing the programs. Setting realistic, measurable, targets in consonance with each other is paramount. Equally important is involving stakeholders in setting such targets.
- **Applying Social Analysis.** A threat to the quality and impact of SDP programming is the lack of on-going analysis of the conditions affecting social interventions. Involving partners in program decisions and delivery; assessing the type of technical assistance required; carrying out background research on local policy environments and the actions of other donors; selecting appropriate implementation methodologies; and assessing institutional capacities in terms of program management and implementation are steps to be fully integrated into programming.
- **Assessing Risks.** Systematic risk assessment is often missing in SDP programming. This leads to unrealistic expectations and program failure. The intention to implement SDP through an integrative approach by which CIDA’s partners would have greater involvement in program design, implementation and monitoring makes risk assessment (i.e. institutional capacity, skills sets, management practices, and accountability compliance and performance) a necessity.
- **Developing Decision Criteria.** Making the correct choices requires shared decision criteria. These could address, for example, issues such as *relevance* of specific interventions to a region/ country, to the beneficiaries, and to the Agency’s main objectives; *institutional capacity* and expertise both in Canada and in the region/country upon which future interventions could build; *priorities and objectives* of the national government and local partners; *gaps and opportunities* emerging from the interventions of CIDA’s partners; *potential for replication* and the multiplier effect of the intervention; sources of *complementary funding* from other donors and national governments; and the *national and cultural specificity* of the problems to be addressed.
- **Developing / Updating How to Guidelines.** The overlaps between the SDP *Framework* and the PPR run the risk of stagnating programming and delivery practices into “doing more of

the same” under new banners. Guidelines on how to deliver programs working at various fronts, in a more integrated manner, across sectors, and under different forms of partnership and accountability are likely to be required at various levels.

- **Reassessing Indicators Systems.** Anticipating, measuring and reporting on progress in SDP needs indicators reflecting shared accountability and the relationship between inputs (i.e. resources), activities (i.e. programs) and results (i.e. outputs, outcomes and impact). The complexity of the SDP tends to bias monitoring and measuring towards input and activity indicators, rather than emphasizing results. There is a need to identify measurable outputs, outcomes and impact indicators to assess the quality of the links between SDP and PPR.
- **Maintaining Data Systems and Knowledge-Based Networks.** Maintaining up-to-date and reliable data systems requires coordinated efforts between the Agency and its partners; cost effective means to gather baseline data on performance; clear, consistent and easy to use reporting mechanisms; and most of all, effective means of dissemination of information. Effective data systems are a source of feedback into programming, and into program monitoring and evaluation.
- **Adapting Reporting Systems.** Moving towards more integrated, cross-sectoral work in SDP involves a greater variety of actors cooperating under re-defined lines of accountability. This implies moving away from a focus on internal reporting requirements to reporting and accountability based on developing countries’ needs to monitor and assess performance and results. Adapting reporting systems that move from vertical to accountability that is more horizontal between the Agency and its various partners is a required step to take.

4. Conclusions

The success of the past years in implementing CIDA’s *Policy on Poverty Reduction*, and the potential conceptual and operational overlaps that may emerge in implementing the *SDP Framework* can easily lead the Agency to underestimate the complexities of the tasks ahead. Perhaps one of the greatest risks is to perceive poverty reduction and social development as the same.

The challenges are not only at the level of conceptual clarity. Most of all, the greatest challenges are taking stock of successes and failures, and changing ingrained practices that may prevent the use of the *SDP Framework* as an effective avenue to further focus CIDA’s poverty reduction work in light of specific priorities, limited resources, and rapidly changing global development conditions.

Linking effectively the *SDP Framework* to the PPR will depend on the ability of CIDA’s management and staff to re-adapt systems and programming practices to new ways of working. Maximizing resources and impact through cross-sectoral and integrative approaches under new forms of partnership with government, institutions in the South, and with other agencies requires a

willingness to be pro-active on many fronts. It requires integrating into Agency practices the assessment of its own experience; the critical analysis of the extent to which programming reflects its corporate vision; the constant exchange of experiences that lead to identifying effective approaches to fulfilling its mandate; the integration into programming and program delivery practices the effective monitoring and measurement of progress; and the strengthening of an enabling environment to achieve the goal of poverty reduction through a focus on selected social development priorities.

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List of Acronyms

BHN	Basic Human Needs
CDF	Comprehensive Development Framework
CIDA	Canadian International Development Agency
DAC	Development Assistance Committee (OECD)
HIPC	Heavily Indebted Poor Countries Initiative
ISP	Inter-Sectoral Programming
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organization for Economic Co-operation and Development
PPR	Policy on Poverty Reduction
SD	Social Development
SDP	Social Development Priorities
SDPs	Sector Development Programs
SIPs	Sector Investment Programs
SPs	Sector Programs
SWAPs	Sector Wide Approaches
UNDP	United Nations Development Program
UNRISD	United Nations Research Institute for Social Development
WDR	World Development Report (World Bank)
WSSD	World Summit for Social Development

Notes

1. In the 1960s, the focus was on growth and income levels reflected in macro-economic indicators. In the 1970s, the concept of poverty broadened to include redistribution, basic needs and access to services. In the 1980s, poverty included powerlessness and participation; vulnerability and security; deprivation and exclusion; sustainable livelihoods; gender; and entitlement and capabilities. In the 1990s, human and social development became new perspectives from which to better understand poverty. (Maxwell, 1999)
2. “Social development is inseparable from the cultural, ecological, economic, political and spiritual environment in which it takes place. It cannot be pursued as a sectoral initiative. Social development is also clearly linked to the development of peace, freedom, stability, and security, both nationally and internationally. To promote social development requires an orientation of values, objectives and priorities towards the well-being of all and the strengthening and promotion of conducive institutions and policies.” (WSSD, 1995: 41)
3. Poverty reduction strategies with social development in the background reflect differences in priorities and policies of donors and developing country governments. Most poverty reduction strategies include at least four types of strategic directions: “pro-poor” economic growth; governance and civil society participation; safety-net approaches; and social sector investments. In most cases, the first and the last play a predominant role.
4. The international community set milestones to assess progress in poverty reduction. They include: reducing by half the people living in extreme poverty by 2015; universal primary education by 2015; eliminate gender disparities in education by 2005; reduce by two-thirds infant and child mortality and by three-quarters maternal mortality by 2015; and implement sustainable development national strategies by 2005. (DAC, 1996)
5. There are several approaches to poverty reduction. **Sector Wide Approaches (SWAPs)**. SWAPs facilitate donor-country collaboration and shift from “clientship” to partnership in donor-country relations. The aim is “to improve planning and service delivery within that sector rather than to specific projects... build sustained capacity within a country to address key social issues in ways that are more responsive to local concerns.” (CIDA, 2000e: 6). **Comprehensive Development Frameworks (CDFs)**. CDFs have the potential to address issues of inclusion and enhance countries’ ownership in development efforts. They highlight the interdependence of all elements of development, emphasizing partnerships, and putting developing countries in the lead. (World Bank, 2000b) **Sector Investment Programs (SIPs)**. SIPs are a variation of SWAPs to increase aid effectiveness. They are referred to as Sector Programs (SPs) as their intent is to support public expenditures in a sector and not just to provide investment resources. (Jones, 1999; Okidegbe, 1998) **Inter-Sectoral Programming (ISP)**. ISPs are another way of addressing development needs and making use of opportunities while building on mutual strengths to maximize impact. Within the principles of SWAPs, ISPs try to have an impact in several sectors at the same time. (CIDA, 2000f) **Heavily Indebted Poor Countries Initiative (HIPC)**. HIPCs aim at setting-up an approach to reducing the external debt of the world's poorest, most heavily indebted countries, placing debt relief within an overall framework of poverty reduction and following a set of criteria that makes countries eligible for debt relief.
6. CIDA’s social development and poverty focus has gone through various stages. Infrastructure development and humanitarian assistance dominated in the 1960 and 70s. In the 1980s, multi-sectoral and integrated projects and programs prevailed, including a social dimension approach, a Women in Development Policy (1984), the creation of the Social Dimensions Unit (1987), the *Sharing our Future* strategy (1987), a gender analysis methodology (1989). In the 1990s, the adoption of a Sustainable Development Framework; *Canada in the World* established six ODA priorities (1995), a Policy on Poverty Reduction (1996), a Policy on Meeting Basic Human Needs (1997), a Policy on Gender Equality (1999), an HIV/AIDS Action Plan (1999). In the year 2000, CIDA presents its *Social Development Priorities: A Framework for Action*, and continues with the preparation of Actions Plans.