

**CHOICES**

*for the*

**POOR**

**Lessons from national poverty strategies**

Edited by **Alejandro Grinspun**

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and Julia Harrington ■ Catherine Porter ■ Sanjay Reddy

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# Foreword

**A**t the dawn of the 21st century almost a quarter of the population of the developing world — over one billion people — still live in extreme poverty, a number little changed from over a decade ago. Tackling this problem is now rightly a global priority, enshrined in the commitment by world leaders at the United Nations Millennium Summit to ‘spare no effort to free our fellow men, women and children from the abject and dehumanising conditions of extreme poverty’.

But if we are to meet the global target of halving the proportion of people living in extreme poverty by 2015, we must first learn better the many lessons of past successes and failures. That is the aim of *Choices for the Poor*. It is a comprehensive external evaluation of the strengths and weaknesses of the Poverty Strategies Initiative that was launched in 1996 by the United Nations Development Programme, together with the Government of Norway and other bilateral donors. Designed to respond to the challenges outlined at the 1995 World Social Summit, it has since funded a wide range of programmes and activities to try to leverage pro-poor changes in national policy across the developing world.

Overall, the book testifies to the broad success of the Initiative to date, but it also bears witness to the technical and political complexity of developing comprehensive anti-poverty policies. The preparation, implementation and assessment of such strategies are frequently hampered by the lack of sufficient capacity. And while the book confirms that strategic external support can help this critical process, it cautions that it can also hurt when overly technocratic and when disengaged from local institutions.

Perhaps the most valuable lesson is that successful anti-poverty strategies must be based on a consensus building among key national actors and combined with proper coordination between donors and national partners. Strategies conceived outside political processes are simply not sustainable. Above all, there is a critical need for overall policy coherence, particularly for national macroeconomic frameworks to be fully aligned with poverty reduction targets.

We hope that these and other issues discussed in *Choices for the Poor* will prove useful to all our development partners in the global effort to achieve the targets set out in the UN Millennium Declaration.

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# Preface: Choices for the Poor

**N**ot since the early 1970s, when concern with basic needs was a rallying point for development agencies, has the international development agenda coalesced around the issue of poverty reduction with such unanimity.

The story may be said to have begun with the resolutions taken during the 1995 World Summit for Social Development. In 1996, the United Nations Development Programme (UNDP), with financial support from the governments of Denmark, Finland, Netherlands and Norway, decided to launch a global initiative aimed at assisting countries in the development of national and local strategies for poverty reduction. The initiative was implemented through country projects in more than one hundred countries, under the label of the Poverty Strategies Initiative (PSI). Funding was open to all of the 134 countries with UNDP offices, although preference was given to sub-Saharan Africa and Asia, where the huge majority of the world's poor are concentrated.

Each of the country projects was intended to play a catalytic role in moving the poverty agenda forward. In some countries, poverty had not yet been defined. In many more, there were huge gaps in poverty data. In all countries, the challenge was to establish poverty firmly on the policy agenda and establish the basis of a global campaign to eradicate poverty. The PSI became UNDP's main vehicle for supporting the implementation of the commitments to poverty eradication made by governments at the 1995 World Summit for Social Development.

Since the inception of the PSI, two sets of developments have given yet more relevance, as well as urgency, to the challenge of developing national poverty reduction strategies.

In the first place, the international community has agreed to a set of international development targets leading to a halving of extreme poverty by 2015. Commitment to poverty targets has now been reaffirmed by the UN Millennium Summit of September 2000, the largest high-level development constituency ever.

Secondly, the World Bank and the IMF decided in 1999 to require countries to prepare a Poverty Reduction Strategy Paper (PRSP) as a condition for qualifying for concessional assistance and debt relief under the Heavily Indebted Poor Country Initiative (HIPC).

The work initiated by the PSI in many countries has become increasingly relevant as a result of these developments. Poverty targets are being explicitly built into longer-term national poverty strategies. And the preparation of PRSPs, which have a shorter (initially three-year) time-span, has built upon PSI work in many instances.

The growing relevance of the PSI work has given new importance to the pro-

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gramme evaluation that this report embodies. It is for this reason that UNDP has decided to publish the report in full. The external evaluation was commissioned in late 1999 and conducted during 2000. While geographically representative, the choice of 18 countries to be evaluated was not wholly random. It was important to concentrate on a sample of countries from which a range of lessons could be drawn. Some other countries where there had been successful interventions were excluded, and so were countries where the PSI had a limited impact. The result, however, has been positive for UNDP and its partners for two reasons. First, the evaluation has identified many valuable lessons from experience — as many don'ts as do's — that can help guide the nature and orientation of development cooperation in this critical area in the future. The emphasis of aid agencies has shifted noticeably toward providing policy advice and institutional support for the design of national policies and strategies for poverty reduction, as well as their implementation, monitoring and evaluation.

Secondly, the evaluation has helped to illuminate the special role that UNDP can play in supporting the development of poverty reduction strategies. This role falls naturally within its human development mandate, which UNDP defined as the 'widening of choices'. Poverty eradication is fundamentally about extending those choices to the poor. But doing so often requires delicate political decisions, as this book makes abundantly clear. Poverty eradication is a primary responsibility for governments, but entails consultation and cooperation with civil society at large, and the poor in particular. Through the PSI programme, UNDP has been able to capitalise on its special status as a close but objective partner of governments as well as civil society organisations, academics and entrepreneurs, maintaining a seat at the table from Laos to Lebanon and Lesotho, Uruguay to Uganda. Sometimes, UNDP sits almost alone there.

Because of the importance of the lessons of the evaluation, it was decided with the Government of Norway to hold a conference at the Christian Michelsen Institute at Bergen in March 2001 to discuss the role of development cooperation in poverty reduction. This book is the main documentation for that conference.

*Stephen Browne*  
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No evaluation with a scope such as the one presented in *Choices for the Poor* — spanning several months and covering some fifty countries, eighteen of which were visited for in-depth analysis — would have been possible without the extraordinary commitment and support of a large number of individuals scattered around the globe.

*Choices for the Poor* is a product of the Bureau for Development Policy of UNDP, under the direction of Eimi Watanabe. It has been edited and assembled by a team led by Alejandro Grinspun and comprising Elizabeth Satow and Rasheda Selim, each of whom has made invaluable contributions to the evaluation exercise and the book itself. The team wishes to thank Stephen Browne, Principal Poverty Advisor, for his guidance during the preparation of the book, as well as Thierry Lemaresquier, former Director of the Social Development Division, for his leadership during the lifespan of the Poverty Strategies Initiative.

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The information for *Choices for the Poor* did not come simply from documents and publications, but also from interviews with government officials, non-govern-

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# List of Acronyms

<b>BSS</b>	Basic Social Services
<b>CCA</b>	U.N. Common Country Assessment
<b>HDI</b>	Human Development Index
<b>HDR</b>	Human Development Report
<b>HIPC</b>	Heavily Indebted Poor Country Initiative
<b>HPI</b>	Human Poverty Index
<b>HVI</b>	Human Vulnerability Index (Maldives)
<b>ILO</b>	International Labour Organization
<b>IMF</b>	International Monetary Fund
<b>LDC</b>	Least Developed Country
<b>LSMS</b>	Living Standards Measurement Survey
<b>MLC</b>	Mapping of Living Conditions (Lebanon)
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>NGO</b>	Non-Governmental Organisation
<b>NHDR</b>	National Human Development Report
<b>NORAD</b>	Norwegian Agency for Development Cooperation
<b>NPRAP</b>	National Poverty Reduction Action Plan (Zambia)
<b>NPRSF</b>	National Poverty Reduction Strategic Framework (Zambia)
<b>PEAP</b>	Poverty Eradication Action Plan (Uganda)
<b>PGI</b>	Poverty Gap Index
<b>PL</b>	Poverty Line
<b>PNLCP</b>	Programme National de Lutte contre la Pauvreté (Mauritania)
<b>PRGF</b>	Poverty Reduction and Growth Facility
<b>PRSP</b>	Poverty Reduction Strategy Paper
<b>PSI</b>	Poverty Strategies Initiative
<b>RTM</b>	Round Table Meeting
<b>SHDR</b>	State Human Development Report
<b>SIDA</b>	Swedish International Development Agency
<b>SISAP</b>	Système d'Information pour le Suivi et l'Analyse de la Pauvreté (Mali)
<b>SNLP</b>	Stratégie Nationale de Lutte contre la Pauvreté (Mali)
<b>TLSS</b>	Tajikistan Living Standards Survey
<b>UBN</b>	Unsatisfied Basic Needs
<b>UNDP</b>	United Nations Development Programme
<b>UNFPA</b>	United Nations Fund for Population Activities
<b>UPA</b>	Urban Poverty Assessment (Lesotho)
<b>UPPAP</b>	Uganda Participatory Poverty Assessment Project
<b>VPA</b>	Maldives Vulnerability and Poverty Assessment
<b>WHO</b>	World Health Organisation
<b>WSSD</b>	World Summit for Social Development