



Poverty Strategies Initiative

The publication of the first *Human Development Report* (HDR) by the United Nations Development Programme (UNDP) in 1990 was critical in bringing issues of poverty and distribution back into focus during a time when macroeconomic stability was at the centre of the policy agenda. By demonstrating that development concerns much more than economics, the HDR helped shift the development debate back to where it matters most — people and their choices.

The persistence of massive poverty is not only morally unconscionable, since the world has the resources to vanquish it. It is also a major challenge to governance, a paramount constraint to development as well as a contagion increasingly unchecked by national frontiers. The effects of poverty inevitably spill over under various guises — disease, conflict and unrelenting waves of refugees searching for a livelihood.

In 1995, the first World Summit for Social Development (WSSD) sponsored by the United Nations in Copenhagen, Denmark, gave an opportunity to leaders from over 180 countries to commit themselves to fighting against poverty as an ‘ethical, social, political and economic imperative’. Actions taken at both the national and international levels during the latter part of the 1990s further reinforced the momentum created by the 1995 Summit, culminating with the Millennium Declaration of September 2000 in which the international community unambiguously endorsed the goal of halving extreme poverty by the year 2015.

A catalyst for poverty reduction strategies

To fulfill the mission outlined by the WSSD, in 1996 UNDP launched the Poverty Strategies Initiative (PSI), a global programme that supported country efforts to diagnose poverty and improve their capacity for policy analysis and implementation, and that helped develop national and local strategies for reducing poverty.

The specific objectives of the Initiative were defined as follows: (i) To assist UNDP programme countries in the formulation of national plans and implementation strategies, with specific time-bound goals and targets, for the substantial reduction of overall poverty and the eradication of absolute poverty; and (ii) To assist UNDP programme countries in the elaboration of definitions, assessments, measurements, criteria and indicators for determining the nature, extent and distribution of absolute poverty at the country level, including its gender structure and composition.

Offered in more than one hundred countries, the programme sought to establish technical, institutional and political foundations for policy action, and to mobilize local constituencies so as to expand the public discourse on poverty. Not only was the PSI an instrument for responding to the appeal made at the WSSD;

it became a precursor of subsequent initiatives, the most recent of which was adopted by the World Bank and the IMF in 1999 requiring the preparation of a Poverty Reduction Strategy Paper (PRSP) as a condition for country eligibility to concessional assistance or debt relief.

When the programme was launched five years ago, countries were at very different stages of preparation. At one extreme were those in which poverty had already been incorporated into their development planning frameworks. At the other were countries where there had been practically no public debate about poverty, or even explicit recognition of the phenomenon. In these circumstances, a wide variation in the nature of the PSI activities was to be expected, given that the PSI was a fully country-driven exercise. Each PSI country initiative was unique. Nevertheless, the activities supported by the programme may be grouped under the following headings:

Qualitative poverty assessments

Many countries — from Grenada and Latvia to Papua New Guinea and Uganda — have undertaken qualitative assessments and profiles of poverty and of specific vulnerable groups — indigenous communities, unemployed youth, persons infected with HIV/AIDS, women and street children. What distinguishes these activities was the use of non-traditional approaches — such as participatory techniques drawn from anthropological and rural development research — that set them apart from studies based on conventional quantitative survey methodology. The goal of the qualitative assessments has generally been to examine poverty from the perspective of the dispossessed, with a view to discovering the causes and effects of poverty within the local context and the many ways in which poor people cope with uncertainty. Many of the assessments have shed light on some crucial but often neglected dimensions — such as the importance of social isolation as an outcome of poverty and the economic contribution of women's activities in household subsistence as well as the informal sector.

Household surveys and poverty maps

Measuring and monitoring poverty have been at the centre of many projects, such as those in Angola, Indonesia and Turkmenistan. Household surveys were designed and sometimes conducted with funding from the programme, using a combination of income, consumption and welfare indicators. Surveys were needed for different reasons. Where poverty had not been a specific focus of past policies, basic data on its breadth and depth were often missing. Even when previous surveys had been conducted, there were often conflicting data or unclear definitions of poverty, which hampered the formulation of policies and programmes. New indicators were constructed in many countries to reflect the impact of complex dimensions such as participation and rights or to capture the changing dynamics of poverty and vulnerability more accurately. Apart from improving the countries' database on poverty, many projects created poverty maps to highlight disparities within national borders so as to better identify specially disadvantaged groups or regions.

Poverty reduction strategies and programmes

In countries such as Kyrgyzstan and Mali, where the necessary policy conditions appeared to be present, funds were used directly to support the development of national poverty-reduction strategies. This took the form of techni-

cal assistance for the selection of appropriate poverty indicators and targets, as well as for the definition of policy priorities and institutional mechanisms for implementing the strategies. Since national ownership was one of the key premises of the programme, emphasis was placed on involving a variety of local actors in processes of public debate and consultation at all stages of planning and formulation. This was deemed critical for the resulting strategies to be genuinely owned by the country and implemented. What UNDP brought to the process was its capacity to work with multiple parties and act as an honest broker in debates about politically sensitive issues.

Analyses of social spending and aid flows to basic services

PSI also earmarked funding for the preparation of social sector expenditure reviews in close to thirty countries, particularly in sub-Saharan Africa and Latin America. The goal of these reviews was to examine the volume of public and aid resources spent on the provision of basic social services, the equity and efficiency of such spending, and the space for devoting more resources and improving the effectiveness and impact of social services. The studies have encouraged a debate on social policy goals and financing priorities by providing options and recommendations for mobilizing additional funding to expand the coverage and improve the quality of services. The studies also provide baseline information on budget expenditures and social outcomes, which may be used in the future for tracking a country's performance in meeting the basic human rights of its citizens.

National Human Development Reports

As a contribution to the national debate on development priorities, the PSI programme sponsored many national and even state-level Human Development Reports (HDR) in countries from Latin America and the Caribbean to sub-Saharan Africa and south Asia. While the process of preparing the reports has varied across countries, they have often brought into focus issues around which new constituencies could mobilize politically for the first time. These range from the rights of minorities and indigenous groups, gender disparities or even failures of governments. National HDRs have proved particularly useful in environments where a discussion of poverty and connected issues is politically charged. The reports have often provided a vehicle through which themes that may be seen as less controversial are raised, allowing discussion of poverty indirectly.

Capacity development for planning and coordination

PSI aimed explicitly at using local institutions and expertise as an explicit aim of the PSI programme. Participating in the preparation of assessments and strategies was seen not only as a vehicle for enhancing local capacities for poverty analysis and planning, but also for nurturing the commitment of local actors to the outcomes of the exercise. Government planners, district authorities and community leaders were sensitized and trained in poverty analysis and monitoring, gender statistics, budgeting, participatory evaluation and other areas of policy and programming, to ensure the sustainability of anti-poverty actions. With the same goal in mind, national machineries were created or strengthened to perform a role of policy coordination among the various governmental and non-governmental actors involved in poverty reduction.

Poverty reduction is back where it should have always been — at the centre of the development agenda. There is now a clear understanding that meeting this challenge requires the mobilization of all national actors behind common policy goals, embodied in a national strategy against poverty. As the lead development agency of the United Nations system, UNDP has a major responsibility to assist countries in fulfilling this task. This requires close cooperation among all donors, but above all the creation of space for a truly nationally-driven process of change. Only through national debate and consensus can solid grounds be laid for a sustained attack on poverty. The Poverty Strategies Initiative has played a key role in demonstrating that when used judiciously, small amounts of funding can have an impact on influencing national debate, institutions and policy on reducing poverty. ■