

Policy Series 3

***AGRICULTURAL SECTOR
INVESTMENT PROGRAMMES***

- EXPERIENCE IN AFRICA

**Jeremy Stickings^{*}, Andrew Goodland[†],
Monica Janowski[†] and Frances Chinemana[†]**

(^{*}NR International; [†]Social Sciences Department, NRI)

© *The University of Greenwich 1999*

The Natural Resources Institute (NRI) of the University of Greenwich is an internationally recognized centre of expertise in research and consultancy in the environment and natural resources sector. The Institute carries out research and development and training to promote efficient management and use of renewable natural resources in support of sustainable livelihoods.

Short extracts of material from this publication may be reproduced in any non-advertising, non-profit-making context provided that the source is acknowledged as follows:

STICKINGS, Jeremy, GOODLAND, Andrew, JANOWSKI, Monica and CHINEMANA, Frances (1999) *Agricultural Sector Investment Programmes-Experience in Africa*. Policy Series 3. Chatham, UK: Natural Resources Institute.

Permission for commercial reproduction should be sought from the Managing Editor, Natural Resources Institute, Central Avenue, Chatham Maritime, Kent ME4 4TB, United Kingdom.

Production of this publication was funded by the United Kingdom's Department for International Development. However the Department for International Development can accept no responsibility for any information provided or views expressed.

Price £5.00

Copies of this book can be obtained by writing to NRI Catalogue Services, CAB International, Wallingford, Oxon OX10 8DE, UK. When ordering, please quote **EP3**

Natural Resources Institute

ISBN: 0 85954 509 1

CONTENTS

	Preface	iv
	Executive summary	1
1	Introduction	3
2	Poverty and gender in African agriculture	5
	Poverty and gender in Africa	5
	The characteristics of African agriculture	7
	Donor policy: poverty reduction and the agricultural sector	10
3	Sector Investment Programmes (SIPs) and Agricultural Sector Investment Programmes (ASIPs)	13
	Sectoral approaches	13
	The World Bank's SIP approach	14
	The approach of European donors	16
4	Integrating poverty and gender within SIPs and ASIPs	22
	The case for agricultural SIPs	22
	The policy framework	23
	The role of poverty assessments	25
	The institutional framework	26
	Targeting and representing the poor and women	29
5	Conclusions	32
	Bibliography	33
	Abbreviations	37

PREFACE

This series is principally concerned with current policy issues of importance to developing countries but also covers those relevant to countries in transition. The focus is upon policies which affect the management of natural resources in support of sustainable livelihoods. Much of the series will be devoted to concerns affecting the livelihoods of poor people in rural areas, recognizing the linkages with non-natural resource-based livelihoods. It will also include the interests of the urban poor, where these are linked to the use of natural resources as part of livelihood strategies.

The series will take a holistic view and cover both the economic and social components affecting livelihoods, and associated factors notably with respect to health and education. The aim is to provide topical analyses which are based upon field research where appropriate, and which will inform development practitioners concerned with issues of poverty in development.

The series is timely, given the increasing focus upon poverty and poverty elimination in the agenda of the development community. It is also timely with respect to the growing body of recent work which seeks to replace earlier, simplistic structural adjustment programmes, with more flexible approaches to livelihoods, institutions and partnerships.

Policy analysis is often assumed to be the remit of social scientists alone. Whilst it is recognized that social science may play a pivotal role, interactions with other disciplines may also be critical in understanding and analysing policy issues of importance to the poor. The series therefore draws upon a wide range of social and natural scientific disciplines reflecting the resource base at the Natural Resources Institute.

EXECUTIVE SUMMARY

Reducing poverty in Africa remains the principal development challenge for donors and governments. Despite the considerable efforts and resources directed to reducing the numbers of the poor, poverty is still widespread and the development community has struggled to find the appropriate interventions which effectively target the poor. Recent developments in addressing poverty in the agricultural sector have been based on a deeper understanding of the nature of poverty and of gender-related issues of poverty. Deeper analysis of the concept of poverty should enable better identification, and thereby targeting, of the poor; a more effective understanding of the needs of the poor; and better monitoring of the effects of programmes and policies on the poor.

A re-examination of the most effective means of donor lending for development is taking place and, notably, the project approach to development is being reconsidered in the light of perceived problems related to ownership, coordination between donors and the lack of coherent development strategy. A challenge to this conventional approach, which is gathering more weight, is sector-level investment, when funds are channelled through national budgets to finance specific sector programmes. It is therefore wider in scope than project aid, covering a whole sector, and as it tends to be based in a specific ministry, it is associated with public-sector institutional development. The move towards a sector approach to lending is becoming increasingly popular amongst European donors, led partly by the work done by the World Bank in developing and implementing Sector Investment Programmes (SIPs).

This paper focuses on the potential issues associated with integrating poverty and gender concerns into sector investment programmes, and more specifically on those in the agricultural sector. In exploring these issues, the following conclusions are drawn for SIPs and agricultural SIPs (ASIPs).

- Given the cross-sector nature of poverty, responsibility for poverty reduction will be spread over several SIPs, requiring coordination between SIPs. However, in Africa at least, agricultural SIPs are fundamental, given the importance of agriculture in providing livelihoods for the poor.
- SIPs, especially ASIPs, need to be based on a thorough understanding of the extent and nature of poverty. Poverty assessments such as those undertaken by the World Bank can provide a sound information basis in order to be able to target the needs of specific groups of the poor, particularly women.
- In the case of ASIPs in particular, the balance between objectives based upon improving production and productivity, and those more concerned with distributional objectives, will have a critical influence on probable impacts on the poor.
- SIPs provide the opportunity for re-enforcing institutional development. The capacity of public-sector organizations is an essential component for success, as poverty reduction activities are likely to be initiated from the public sector.
- Notwithstanding the importance of the public sector it is vital that ASIP (and other) interventions draw upon a range of institutions, e.g. those which are farmer led, NGOs and the private sector.
- Representation of all stakeholders is a necessity during the SIP or ASIP development process, including local government and representatives of affected social groups.
- A balance is necessary within an SIP between investments which provide general support to the sector, and those targeted specifically at poverty reduction.
- Successful poverty reduction programmes require an appropriate institutional framework, which may involve government decentralization. Unless specific action is taken such decentralization could conflict with (more centralized) SIP approaches.

Overall questions remain as to how effective ASIPs are likely to be in meeting the needs of specific groups of the poor – especially the poorest and women. Experience to date is limited, but meso-level approaches such as SIPs will require particular efforts directed towards the identification and targeting of the poor, and steps to ensure their participation in the planning and implementation process.

1

INTRODUCTION

This paper is concerned with sector investment programmes (SIPs) and with agricultural SIPs in particular. The focus is upon the nature of such programmes, donor experience, and the extent to which it is possible to incorporate poverty and gender issues within SIP approaches. The geographic focus is upon Africa, especially sub-Saharan Africa.

This is one a series of papers which seeks to elaborate the relationship between poverty, rural livelihoods and key policy areas. The papers are intended for a wide audience in developing country governments, donor agencies, research institutes and other organizations concerned with development or governance. They are intended to contribute to increased poverty focus in development by informing and stimulating debate, policy and action amongst key players in the development process.

This paper was originally prepared as a briefing paper for the European Union (EU). The EU briefing papers have sub-Saharan Africa as their primary focus, though case-study material may also be drawn from experience in other African, Caribbean and Pacific countries. The information they contain is based principally on a review of secondary data and documentation – although some specific aspects have been explored through short, focused field studies, and through interviews with donors.

Following this introduction, Section 2 provides the background to African experience, commencing with a discussion of poverty and gender, followed by an outline of the characteristics of African agriculture. The section concludes with an analysis of donors' views on poverty alleviation strategies, in particular, the difficulties in targeting the poorest of the poor and women.

Section 3 provides an outline of the rationale and development of the SIP approach in response to perceived inadequacies of project-based donor activity. The section includes a discussion of progress to date with World Bank initiatives, and concludes with an assessment of SIP approaches adopted by European donors. Although SIP approaches are seen as advantageous, donors' views differ concerning the strategy to be adopted in their implementation, and the degree to which project approaches should be retained.

Section 4 draws together key issues relating to SIP and ASIP experience. Firstly, the importance of the agricultural sector in Africa and hence of agricultural SIPs is noted. This is followed by a discussion of the implications for policy formulation, notably with regard to choices between strategies addressing either growth or distributional objectives. Given the focus on poverty and gender, the section continues with a discussion of the role of poverty assessments in feeding into the development of SIPs and ASIPs. Appropriate institutional frameworks for tackling poverty and gender in the context of agricultural sector development is the topic of an associated paper in this series (Griffith *et al.*, 1999). This paper therefore notes such issues only briefly in the context of SIP and ASIP strategies.

Discussion of institutional issues is followed by an assessment of operational considerations in targeting the poor and women, and by conclusions to the paper as a whole. The latter relate both to important issues emerging from experience with SIPs and ASIPs to date, and a look forward at the potential and problems which may arise from emerging socio-economic trends such as the growing intensification within the agricultural sector, and the shifting rural/urban balance.

2

POVERTY AND GENDER IN AFRICAN AGRICULTURE

POVERTY AND GENDER IN AFRICA

In 1996, the World Bank estimated that the total number of people in the world living in absolute poverty was 1.3 billion, although the percentage of the developing countries' population living in absolute poverty remained more or less constant (at 32% in 1993). In sub-Saharan Africa, poverty has continued to rise overall, although individual countries have been successful in reducing their own levels. At least 250 million in the region are still surviving on less than the equivalent of US\$ 1 per day. The United Nations Development Programme (UNDP) estimates that 70% of the absolute poor are women, with female-headed households being amongst the poorest and most vulnerable in most communities. With population growth likely to remain at about 3% per annum in most sub-Saharan African countries, the percentage of the poor who are children under the age of 16 – approximately 45% – is likely to remain constant.

The standard definition of poverty in terms of income and consumption, encapsulated in the figures above, has increasingly been questioned in recent years as it fails to capture the many dimensions which characterize poverty and the poor. The broader implications of poverty include the following:

- an inability to cater for basic needs (food, shelter, health, etc.) as a consequence of low levels of income and insufficient access to productive resources, e.g. land;
- lack of opportunities to exploit human resources owing to insufficient access to education and health care;

- isolation as a result of physical conditions and/or inadequate education;
- lack of status and power, making it difficult to influence one's own situation and break out of poverty; and
- a high degree of vulnerability arising from a very limited economic base.

In Africa, despite recent growth in urban populations, the rural sector remains an important source of livelihoods, especially for the poor. Within agriculture it is generally the case that men and women farm separate plots of land, although traditionally each helped the other with certain tasks which were seen as male or female. Women and men, then, must be seen to some extent as separate economic and political actors. While this is true in all societies, it is particularly important in Africa. UNDP estimates that women are responsible for 60–80% of agricultural labour in Africa: 70% of food production, 50% of domestic food storage, 100% of food processing, 50% of animal husbandry and 60% of marketing.

Although not complete, the new multidimensional concept of poverty and its manifestations has produced a much clearer analysis of gender and poverty. Arguing that poverty is not merely a function of material conditions, analysts have demonstrated that it also reflects the role of institutions and ideologies, which position women and men and ascribe different meanings to their lives. With respect to both structural and transient poverty, gender aspects are important in terms of the entitlements, capabilities and rights conferred upon women and men. In most societies where the poor are numerous, socially defined roles and status limit women's opportunities more than those of men, restricting women's abilities to choose between existing alternatives or to create new ones. In addition, as women's economic activities are often accorded a lower status than men's activities, women may receive less or no remuneration for their contribution to subsistence and maintenance of the family. Women's poverty is thus often more intractable than men's and its reduction requires action which addresses structural constraints as well as a more gender-sensitive approach in respect of income/consumption and other, broader characteristics of poverty.

Women suffer in particular from what has become known as 'time poverty'. One of the key differences between men and women in most societies is that women have much less available labour time than men because of

the demands of their reproductive, as well as productive roles. (The reproductive role is defined here as bringing up the family, feeding them, caring for them, washing clothes, fetching water and firewood, etc.). Thus, for example, if women are asked to do more work in order to supplement household incomes, this may have adverse effects on the health and education of children.

THE CHARACTERISTICS OF AFRICAN AGRICULTURE

The potential for and difficulties with the implementation of SIPs and agricultural sector programmes (ASIPs) revolves in part around the characteristics of African agriculture. Some of the most common characteristics of the poor in relation to agriculture are therefore indicated below. Naturally the variations within and between countries are diverse, and the characteristics listed will be of varying importance to different social groups and in different locations.

Land

- Although in much of sub-Saharan Africa most rural households have access to land for subsistence, guaranteed by customary systems of tenure, the size of holding may be small, often as a consequence of population pressures, making it difficult to support the household in terms of food or income security. Off-farm sources of income may therefore be necessary to supplement farm production.
- The quality of land to which the poor have access may be low, e.g. marginal lands where it is difficult to support the intensity of land use necessary to maintain the household. These fragile environments are prone to degradation in the absence of sound management practices and with increasing population pressure.
- Where privatization of land ownership has occurred, this has meant that men have usually become the *de jure* owners; in any event, with the expansion of cash cropping, men often use the land for this purpose and women have declining access to land for food production.

Labour

- Shortage of capital and of land amongst poorer farmers, which is reflected in relative factor prices, tend to result in relatively high labour intensity in agricultural production.
- The effectiveness of labour of poorer households may be constrained through age or gender, and further inhibited by lack of education and training.
- The low capability of labour, together with high levels of under- or unemployment (and hence low opportunity cost of labour), leads to low wage levels in the rural economy.
- Income-generating opportunities for the poor may be highly seasonal, especially where there are few non-agricultural activities. In such cases, times of high labour demand for alternative activities may coincide with periods when farmers need to be working on their own land.
- In some areas the incidence of AIDS is beginning to affect the labour resources of households.
- The poor may have to migrate (often seasonally) to find employment.

Farming systems

- Farming systems are often mixed as the poor seek to avoid risk by diversification of production. The strategy is often combined with a focus upon food rather than cash crops.
- Diversity in activity may include non-agricultural as well as agricultural sources of income and remittances may also be important.
- There are likely to be intra-household divisions of labour, e.g. with women often involved in cultivating food crops and keeping 'farmyard' livestock, and performing labour-intensive tasks (such as weeding and harvesting) for cash crops.
- Systems are largely based upon local knowledge rather than 'external' technology, partly because of limited access to and relevance of official research and extension services (see below).
- There is little mechanization of production or processing activities, and little dependence on external inputs such as agrochemicals.
- Systems are largely rainfed rather than irrigated.

Rural finance

- Farmers, and in particular the poor, lack access to formal financial services (credit, savings, insurance); this may result in the use of informal credit markets, where interest rates can sometimes be relatively high.
- Limited access to formal sources of financial services is due to: physical distance of credit sources from the poor; lack of awareness of opportunities from both potential borrowers and lenders, and suspicion on both sides; lack of collateral; reluctance of commercial banks to lend small quantities due to high administrative costs; scarcity of viable investment opportunities; and risks of loan defaults.
- Low levels of savings are held in formal institutions; instead, savings may be tied up in assets (e.g. livestock, etc.).

Research and extension

- The poor tend to be dependent upon public (as opposed to private) research and extension services. The latter are often poorly funded, and consequently are of low quality and provide only limited coverage.
- Research agendas do not often address the needs of poor farmers, who tend in any event to be neglected by public extension services which often favour working with better-off farmers.
- Private extension, linked with sale of agrochemicals, is not generally accessible to the poor.

Marketing and processing

- The poor may have limited access to markets both through physical distance and as a consequence of weak infrastructure.
- The poor often receive low prices for any sales through having to sell at times of distress; they may also be in a weak bargaining position with only a limited number or a single potential buyer, and perhaps due also to being indebted to the buyer.
- There are often low levels of processing (value-added) to agricultural production, linked in part to limited market access.
- The poor, even if farmers, are often net purchasers of food.

Within the African agricultural sector, poorer households in particular may have limited access to resources to undertake agricultural activity.

Limitations may be exacerbated by the fact that the poor often live in remote regions and/or those with marginal potential. Their principal resource is usually household labour, which may be constrained both quantitatively and qualitatively. External services to such households are typically limited and/or of little relevance. Integration into the market place is often inhibited by the dispersal of the poor and their limited capacity to produce a marketable surplus. SIP strategies will therefore need to be carefully tailored if they are to tackle constraints confronting the poorest, emphasizing the requirement for effective identification of the needs of the poor, and their involvement in the planning and implementation process.

DONOR POLICY: POVERTY REDUCTION AND THE AGRICULTURAL SECTOR

The evolving approach to poverty alleviation amongst donors is focused particularly on the agricultural/natural resources, as growth in agricultural production and in rural areas is seen as vital to achieving broad-based growth and hence a reduction in poverty. Within this, the support to women through agricultural sector development is also assumed to be particularly effective. The type of support to agricultural sector development for the purposes of gender-focused poverty alleviation proposed by Danish International Development Assistance (DANIDA) is broadly representative of most donors' intentions for the sector:

- implementation of agricultural reform, including strengthening agriculture ministries and other institutions' capacity to plan and implement policies and strategies based on the needs of small farmers, including the particular needs of women;
- measures that support increased productivity in agriculture, for instance through the diversification of production;
- agricultural training, advisory services and research aimed at increasing productivity in agriculture especially for women, and adapting technology so that the poor can take advantage of technological progress;
- better access to credit for small farmers, particularly women;
- better access to land through land reform, especially through attention to women's access to inheritance, ownership and utilization of land;
- working with popular organizations rooted in the rural population, including agricultural associations, cooperative societies and credit

unions, together with promotion of such groups, especially those catering for women.

Although most donors have seen the reduction of poverty as an important aim of their aid programmes, it has been difficult to show that all groups of the poor have been reached (see Box 1 for the experiences of two European donors). In particular, the poorest groups have missed out, and it has often been the case that women have not been targeted as separate economic and political actors. The poorest are difficult to target because they are often unable to participate fully, or even at all, in the initiatives which are offered in terms of agricultural innovation. They may have little or no land, and often have no capital, which would allow them to purchase inputs or would cushion them while they try new ideas.

Poor groups can be whole communities – where, for example, ecological conditions are difficult for agriculture – or they can be sub-groups within communities, such as women or the landless. Even where whole communities are defined as poor, however, they are likely to be differentiated, with sub-groups which are poorer or better off. Women are often poorer than men within agricultural communities to the extent that they are separate economic and political actors. In communities defined as consisting largely of poor people, interventions which are intended to raise the standard of the whole community are very likely to benefit the better off and hence differentiation will increase. Some interventions are also likely to affect the gender division of labour in a way which causes women to have to work harder (where innovations on their husbands' land might mean a greater volume of grain to thresh, for example) and/or to become poorer (through investment, for example in interventions which relate to cash crops grown by men). These characteristics emphasize the importance of precision in the targeting of donor interventions.

Box 1 Donors' attitudes to poverty and to targeting of poor groups

The Netherlands

The Dutch Ministry for Development Cooperation believes that the issue of targeting within populations (and not just of poor geographical areas within a country) is a key one in tackling poverty. However, it is recognized by the Ministry that the poor are harder to target within agricultural projects and that poor women are the hardest of all to target. No real attempt has been made to tackle this last group.

The view was expressed within the Ministry that the lack of commitment to targeting on the part of some donors has been due to an awareness of the difficulty of targeting poor groups within populations. This has meant that their identification, and any attempt to target them, has tended to be avoided. Instead, the focus has been on general and vague groups such as 'small farmers' (in the case of agricultural projects), without differentiation.

One third of Dutch aid to India, Mali and Tanzania, for example, has been demonstrated to be directed to the poor in the Evaluation Report published on these programmes (Hoebink, 1995). However, this refers to aid given to entire populations of areas, and to projects which improve social services and income-generating activities in general, rather than to aid which targets specific, poor sub-groups of a population.

Germany

The German Federal Ministry for Cooperation (BMZ) identifies three different ways in which poverty is to be tackled: through structural adjustment; through direct poverty alleviation; and through indirect poverty alleviation. This means a broader targeting of sectors in a context where the beneficiaries of a project cannot be clearly identified or the majority are not poor (BMZ, 1992). Only direct poverty alleviation would involve targeting specific poor groups.

In agricultural assistance, BMZ aims primarily to target absolute rather than relative poverty, thus where a whole population (or most of it) is identified as poor there is no need, theoretically, to differentiate sub-groups. However, in practice there is an attempt to tackle relative poverty, and to identify and target poor sub-groups. There is a growing feeling that targeting is important, both in BMZ and GTZ, although in practice it has been found difficult to achieve.

3

SECTOR INVESTMENT PROGRAMMES (SIPS) AND AGRICULTURAL SECTOR INVESTMENT PROGRAMMES (ASIPS)

SECTORAL APPROACHES

Various factors have contributed to the move in recent years towards an emphasis on sector-wide approaches rather than individual projects. Many of the actors in development have become dissatisfied with the limitations imposed by the project approach, and the fragmented donor involvement which has resulted. At the same time, the refining of instruments used in support of structural adjustment has led to a move from national-level involvement towards a concentration on sector planning. As policies, strategies, instruments and arguments have developed among both those agencies promoting structural adjustment and those who have criticized it, both sides have been drawn towards placing a crucial emphasis on the sector (or meso) level.

For instance, the UNICEF-inspired *Adjustment With A Human Face* (UNICEF, 1987) included an emphasis on sector policies designed to assist vulnerable groups and to accelerate economic growth. Non-governmental organizations (NGOs) also argued for taking more account of the impact on the poor in the design of sector reform. UNICEF's advocacy of 'meso policies designed to help fulfil priorities in meeting the needs of vulnerable groups and promoting economic growth' refers to a package of policies in terms of credit, taxation, service provision and asset redistribution which are broadly pro-poor. The assumption is that during a period of extreme resource constraint there is a heightened need to ensure that policies are being fashioned at the level of sector institutions and markets which ensure that the needs of poor and vulnerable groups

are being met. These include sectoral policies to achieve restructuring in the productive sector – especially for small-scale enterprises.

In Elson's words (1997), 'Sectoral programme support is a form of programme aid in which freely disposable foreign exchange is provided to the recipient country, which then uses the countervalue funds in accordance with policy agreements to finance specific sectoral or sub-sectoral programmes within the national budget. ...Sectoral programme policy dialogue places emphasis on enhancement of public sector performance and accountability.'

This form of assistance differs in important ways from both project aid and balance of payments programme support. It is much wider in scope than traditional project aid and usually covers a large part of the activities of a whole ministry. Policy dialogue is more extensive than with projects, and attention is focused on the overall management of public expenditure in the ministry concerned. Unlike balance of payments support, the local countervalue of the aid is targeted to particular activities of particular ministries. In theory, two other main features of sectoral programme support are:

- it requires evidence of local capacity – recipient governments are expected to develop a clear sector strategy and policy framework on the basis of extensive stakeholder consultation, and should be prepared to fund the programme fully when donor funding finishes; and
- it brings all donors in the sector into a common policy framework – thus a high degree of donor coordination with respect to finance, identification of programme priorities and assessment indicators is required.

Of course, reality does not always conform to this ideal picture and the degree of both donor coordination and stakeholder participation is highly variable.

THE WORLD BANK'S SIP APPROACH

Perhaps the best known model for sectoral programmes is the World Bank's Sectoral Investment Programme. Although a relatively new concept, the approach has been adopted rapidly in many countries, with

about 20 SIPs already approved and many more under preparation. The definitive guide to World Bank-led SIPs is provided by Harrold (1995), in which the basic features of SIPs are explained and a process described for their preparation. The paper sets out the rationale for a sector approach to lending, arguing that the project approach has several faults. These include:

- governments lacking a sense of ownership of projects;
- weakening of government capacity due to the formation of project management units;
- confusion of strategies and objectives between donors and with the government;
- limited impact of successful projects in an inappropriate sectoral policy environment; and
- unsustainability of projects due to inadequate recurrent resources.

SIPs strive to overcome these deficiencies by lending on a sectoral basis. In effect, the sector becomes the project. The main features of an SIP are:

- sector-wide in scope, covering all relevant policies, programmes and projects in a defined sector;
- based on a coherent sector policy framework;
- that local stakeholders, including public and private sectors, NGOs and local community representatives, are in the driver's seat;
- that all donors sign on;
- there are common implementation arrangements for donors;
- there is minimal long-term foreign technical assistance, with the emphasis on developing local capacity.

It is recognized that an SIP is not appropriate in all sectors in all countries at all times. Suitable macro-economic conditions need to be in place, and the government needs to have the capacity for managing the SIP preparation and implementation. The key principle in the preparation phase is for stakeholder consultation, which is closely related to local ownership of the SIP. The need for broad consultation inevitably means that the SIP preparation process may be time-consuming, taking possibly 2–3 years. SIPs typically provide an opportunity for institutional reform, and an important part of the development of the SIP will be the definition of the respective roles of the public and private sectors.

At the Special Programme for Africa meeting held in June 1997 in Washington, the World Bank produced a report reviewing recent developments in the field of SIPs. Since Harrold's 1995 paper, there has been an evolution in the thinking on SIPs. There is an emerging consensus that:

- a continuum exists along which projects and programmes may converge;
- even when conditions for SIPs are not present, many of the SIP principles can be used for preparing investment projects, which can evolve over time into a fully fledged sector investment programme;
- the Bank should not necessarily be the lead donor in SIP or investment project preparation;
- information sharing on SIPs is to be encouraged amongst donors; and
- SIPs now cover five main principles:
 - institutional capacity
 - the need for a coherent policy framework
 - the need for donor participation
 - common implementation arrangements
 - the appropriate scope of SIPs.

Of the 19 SIPs under execution and preparation, those focused upon agriculture are currently in operation under the Zambia Agriculture Sector Investment, Uganda Environment Management (although there is some dispute as to whether this a fully fledged SIP), Kenya NARP and Kenya Agriculture Sector Involvement. Six of the 33 SIPs under preparation are in agriculture, located in Benin, Kenya, Lesotho, Mozambique, Senegal and Tanzania.

THE APPROACH OF EUROPEAN DONORS

Several other donor agencies have now published papers outlining their approaches to sectoral planning. Reduction of poverty is the fundamental principle of Danish development assistance. The strategy for poverty reduction consists of the promotion of sustainable economic growth with redistribution, development of the social sector and the promotion of popular participation in the development process. Within this policy framework, bilateral assistance will be provided mainly as Sector Programme Support (SPS) to a limited number of sectors in each partner country.

The main objective of the SPS strategy is to promote an effective and sustainable reduction of poverty by emphasizing national ownership of

development efforts, including those which are donor-assisted. The approach is to offer a flexible package of long-term support linked to national policy and objectives, and providing a forum for coordination between donors.

Swedish International Development Assistance (SIDA) has been developing sector support from the early 1980s, again in the form of sector programme support. The approach also calls for donor coordination to be developed over time, but recognizes that there will probably only rarely be a total coordination around non-specified budget support to a sector. The Swedish view is that project support and other forms of assistance will continue to be suitable instruments in many situations. The introduction of sector programme support must be gradual, and promoted on a case-by-case basis.

In the UK, DFID supports a large number of technical interventions designed to address particular aspects of reform in different sectors. A recent DFID review notes the need for continued efforts to make the reforms more effective at delivering growth, and in a way which benefits the poor, particularly in the following areas:

- helping to spread best practice more widely in the analysis and monitoring of poverty, including improved methods of analysis (such as participatory techniques) of the causes and consequences of poverty, and appropriate policy responses;
- making sector spending more responsive to the needs of the poor, supporting the development of better-targeted spending programmes with improved feedback from users and those at present excluded from access; and
- helping to build capacity for design and implementation of reforms, notably for poverty analysis and policy development in the context of reform and growth.

In DFID's view there is a particular need to develop methodological innovations to offset the World Bank's tendency to follow centrally determined 'blueprints'.

The Dutch Ministry for Development Cooperation also supports the concept of SIPs, although the Netherlands has had limited involvement to date in their establishment. In supporting SIPs they intend for the present

to support them financially, but to earmark technical assistance for specific areas (e.g. for animal health through the Zambia ASIP). Such assistance would provide feedback on the area concerned which could be used in policy dialogue with the central government on the effects of macro policy at micro level.

In Germany, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) is concerned about the perception on the part of bilateral donors that SIPs are World Bank-driven; the implications of this for the integration of donor-funded projects into SIPs; and the slow rate of disbursement of funds on the part of bilateral donors. On the appraisal side, GTZ points out that bilateral donors appraised only the sub-programmes which were linked to their area of interest; multilateral donors, particularly the World Bank, appraised all sub-programmes. This emphasizes the difficulty of integrating the different donors' activities into one sector programme.

Whilst supporting the overall approach to SIPs, donors have identified a variety of both positive and negative features of the strategy. SIDA has expressed one of the more comprehensive views as indicated below.

The advantages of donor coordinated sector programme support are as follows.

- It encourages the recipient government to look at institutional constraints rather than preparing a shopping list of projects.
- It promotes ownership on the part of local politicians and civil servants.
- It provides an analytical context within which the government and the donor community can conduct a constructive dialogue on current and future cooperation in the sector.
- It provides the government with a vehicle to coordinate development agencies and to act forcefully against duplication and overlapping of efforts between agencies.
- The different approaches promoted by different development agencies – sector programme support, sector investment programmes, project assistance, etc. – can be integrated if related to comprehensive project [*sic*] documents worked out in a process of consultation between the government and the donors.
- If donors agree to base their disbursement and reporting requirements on existing national systems for budgeting and accounting as part of

donor harmonization, scarce administrative resources can be efficiently used.

- Current monitoring and periodical reviews will focus on results and/or reasons for shortcomings in relation to objectives rather than on the administrative procedures for implementation, disbursements, procurement, reporting, etc., i.e. the quality aspects of the cooperation can replace the procedural ones.
- Donors such as SIDA are able to play a significant role in the sector dialogue even without permanent local representation and even without being a major financial contributor.

Potential disadvantages of sector programme support include the following.

- Large resources of time and money need to be invested in the initial dialogue and preparation of documents. There may need to be a temporary discontinuation of disbursements from the international donor community until relevant policies, plans and projects are prepared and appraised. Time will need to be devoted to tailor-making reporting procedures and systems to meet individual donor reporting requirements.
- The more integration and coordination between donors, the more resources will need to be devoted to identification of performances indicators at sector level.
- There is a risk of donor domination and a dependency on donor administrative systems.
- Minor donors may run the risk of being marginalized in the cooperation.
- Sector programme support with budget support requires that political commitment and macro-economic stability prevails, which excludes several of the present Swedish partner countries.
- The policy conditions for the sector programme support can be difficult to meet, and ongoing support may risk being discontinued to the detriment of strongly felt needs in the whole sector. A way of counteracting this threat is to define 'minimum packages' to be supported during adaptation to agreed policy conditions.
- Important goals, which are shared by different donors and which are the goals of Swedish development cooperation – e.g. poverty reduction, target group consultations, gender equity – may not receive sufficient emphasis in the general deliberations of sector programme support.

- It may not be easy to demonstrate how or where Swedish funds have been used, since funds are directed not to specified and agreed activities, but to the sector as a whole.

In the Netherlands, the Ministry feels that there are likely to be problems with effective targeting within SIPs. Targeting will be difficult if assistance is through government structures. They believe that the World Bank has not focused on the need to target within SIPs, and has not made use of its own Poverty Assessments to try to do this.

The Ministry also feels that there are potential problems with links between sectors in the setting up of SIPs. Their concern for maintaining these links is expressed through continued support for the concept of integrated rural development. Indeed, this is an area in which they intend to expand their work. However, while earlier work within the Sector Programme for Rural Development (reviewed in a Summary Evaluation Report in 1992, see Box 2) focused only on the rural sector, new integrated rural development projects will include work in urban areas, recognizing the important links which exist between rural and urban populations. Country studies in Burkina Faso, Tanzania, Mali and Zambia are about to be completed and will be the basis for future planning of integrated rural development.

There is a concern in the Ministry at the lack of control which individual donors, and particularly bilateral donors, may be perceived to have over the setting up, monitoring and appraisal of SIPs.

Box 2 Summary Evaluation Report: Sector Programme For Rural Development Netherlands Development Cooperation, 1992

The report evaluates 40 projects carried out in five countries as part of The Netherlands' Sector Programme for Rural Development. Discussing project achievement and potential sustainability, the report concludes that only one in five projects would remain effective once donor funding/support was withdrawn. Addressing more generally the use of projects as an implementation tool, the report notes:

This study confirms earlier findings: to improve the position of poor rural groups is very difficult, and in the case of unfavourable macro-economic conditions potential sustainability is limited. The possibilities for improving the position of poor groups depends partly on project-internal factors (identification of target groups, their participation in decision making, access to productive resources and inputs), and partly on the government's rural development policy in this area. Careful definition of the problem might lead to the conclusion that project aid is not the most appropriate form of aid in a particular situation. Other forms, such as budget support, must be considered if prospects for long-term sustainability are poor, or if the project is likely to overburden local administrative capacity.

Successful activities were those which:

- were based on a thorough analysis of the problem, investigating the causes of poverty by looking into socio-political relationships, power structures, distribution of ownership of productive resources (land in particular) and the potential for and constraints on development of natural resources;
- emphasized a single sector, as opposed to those which were multi-sectoral, operating independently of government agencies, with large inputs of foreign experts and finance;
- involved the local population, with target groups having a central role in decision-making for participation to be a success, and particularly for women, it is essential that poor groups have access to means of production such as land and credit, and generate income.

4

**INTEGRATING POVERTY AND GENDER
WITHIN SIPS AND ASIPS****THE CASE FOR AGRICULTURAL SIPS**

Although definitions of poverty and the means of its reduction have now broadened considerably to include access to education, health services, water and sanitation, etc., there is no escaping the fundamental importance of agriculture in determining the livelihoods and standard of living of most of the world's poor. Particularly in a period when the poor in many countries are being asked to pay for their use of basic social services, incomes (in cash or kind) play a particularly crucial role in determining how they will live. Thus increasing agricultural productivity is a key area in the fight against poverty. For many of the poorest, whose only asset is their labour, returns to labour are particularly crucial.

A summation report of the World Bank's Special Programme on Africa (SPA) Seminar on SIPS (December 1996) records that SPA donors agreed on "key sectors amenable to SIPS". These are listed as health, education, roads, water, and energy – and agriculture and finance, "although these are more problematic". Discussions with EU donors have indicated that some share the view that agriculture is inherently less suitable for the SIP approach than other sectors. Comparisons were drawn with the health sector, for instance, where the view has been expressed that whereas in health, objectives are clear and more or less universally shared, in agriculture there are many interest groups whose objectives may be different or even opposed (the interests of producers and consumers, for example).

In practice the alleged simplicity in developing SIPS in sectors such as health may be a little misleading – there are clearly likely to be some

alternative strategies available, or potential areas of conflict (e.g. in the case of health, choices between more centralized hospital facilities and local health centres, the level of resources devoted to preventative medicine, etc.). Equally, it is clear that the rural poor in Africa are usually heavily dependent upon agriculture as a major component of their livelihood strategies. Whether or not the sector presents more intractable conflicts in terms of alternative policy options, it is therefore essential to develop programmes in order to tackle poverty objectives.

THE POLICY FRAMEWORK

“An SIP should cover all expenditure programs and policies in an area where fragmentation of planning and implementation would seriously reduce efficiency or output.” (Harrold, 1995) Defining the boundaries of a sector is an important task prior to the development of a sectoral strategy and SIP. However, poverty is a cross-cutting issue, to be addressed through various ‘traditional’ sectors (agriculture, education, health, infrastructure, etc.). One concern arising from the SIPs approach is that poverty (or indeed other cross-cutting themes) cannot be adequately addressed by an approach which is limited to single sectors. There is also a danger that cross-sectoral linkages may be neglected, and vigilance will always be needed in this respect. Another important issue concerns the tendency to define a sector only in terms of formal institutions, and not take into account the various informal networks which exist.

SIPs are likely to be built around existing government budget structures, and therefore the SIP will typically be a ministerial project. As pointed out by OPM (1997a), “the more ministries and other institutions (including non-statutory bodies and donors) need to be coordinated, the broader the range of issues that need to be addressed by the sector strategy, the more difficult it will be to manage the process.” Experience also indicates that often only sectoral ministries are involved, and the roles of ministries of (e.g.) finance or planning may be limited. There may thus not be full government support. For others – NGOs, municipalities, interest groups, etc. – their level of participation may be dependent upon their ability to generate revenues at a level envisaged in the programme.

The issue, then, is how to include poverty and gender concerns within SIPs, and especially ASIPs. At best, a coherent sector framework involves:

- sound policies (macro and sector policies);
- a well articulated sector strategy; and
- a sound medium-term public expenditure plan in which the sector investments are anchored.

Although much work is required to develop this kind of framework, the principles are straightforward. Decisions taken at the level of policy definition are vital, and should in turn determine expenditure patterns to a large and significant extent. In the case of an ASIP, the strategy entails the initial formulation of a policy framework incorporating strategic choices for the sector. In practice this process is likely to entail consideration of the appropriate balance between a series of alternative objectives, e.g.

- low potential areas or high potential areas?
- public or private sector?
- cash crops or food crops?
- top-down or bottom-up?
- general or targeted interventions?

Critical to the impact on the poor will be the balance struck between two broad approaches: maximizing agricultural growth, or specific interventions to target the poor. Choices between the two approaches will have a direct impact upon food security objectives. Ensuring access to food for the whole population is clearly a goal for all countries to pursue. This has implications for the agricultural sector both as a supplier of food, and also as the primary income source of many of those experiencing, and vulnerable to, food insecurity. The concept of food security is critically concerned with issues of access to food, hence achieving food security requires actions both to ensure the supply of food and to improve households' capacity for acquiring food, either through their own production and/or through the market place. Within such strategies, addressing the needs of women will be of particular importance.

Since fears of global food shortages arose in the early 1970s, the focus has been on increasing production, mostly through productivity gains. Research has often been tailored towards areas of highest potential, and to high-input technologies. The response has been impressive, with agricultural growth outstripping population growth over the past 25 years. However, food insecurity and poverty remain widespread, and increasingly attention is turning to improving the access of the poor to food. This

requires a shift of resources to those areas of lower potential where many of the poor reside. Although the returns to investment are lower in these areas, the impact on poverty and food insecurity is likely to be greater.

THE ROLE OF POVERTY ASSESSMENTS

“Systematic analysis of rural household production is essential if robust implications for policy are to be drawn out for this approach.” (IDS, 1994). The approach referred to in this quotation is not ASIP, but poverty assessment, though it is equally important for both. Recent work in poverty assessment undertaken by the World Bank and others provides a starting point. Following the publication of its World Development Report of 1990, the World Bank advocated a two-pronged anti-poverty strategy of labour-intensive (or pro-poor) growth and investment in human resources. This led to the inclusion of Poverty Assessments (PAs) as part of Country Assistance Strategy (CAS) background information, and within PAs, an increasing number of Participatory Poverty Assessments (PPAs).

Using its human development report analysis to formalize the links between poverty and human development, UNDP simultaneously developed the Human Development Index, combining life expectancy at birth, educational attainment and adjusted real income, in order to rank countries on how well their citizens achieve basic human capabilities. To this was added in 1996 the Capability Poverty Measure, a multidimensional measure of human deprivation which considered the lack of three basic capabilities: the lack of being well-nourished and healthy, lack of capability for healthy reproduction and the lack of capability to be educated and knowledgeable.

Despite this emphasis on poverty, the Bank’s own recent review of PAs (World Bank, 1996b) found that they had only a “positive but modest” influence on the quality of CASs. One of the reasons given is that the PAs do not contain sufficient operationally relevant findings and recommendations. However, PPAs in recent years have been noticeably more operational, particularly in prioritizing needs from the point of view of the poor themselves, and it often appears to be the case that Bank managers responsible for CASs simply fail to take sufficient account of PPA findings.

The experience of PAs should influence the development of the SIP approach and its potential impact on poverty. An essential feature of a SIP or ASIP is that it must be based on an appropriate policy framework and sector strategy. Ideally, the strategy will have clear priority areas for action, in which case the task of defining projects to implement the strategy is facilitated. There can be no SIPs without a sectoral strategy, and it may be advantageous to develop the strategy and SIP in the same exercise, though there may be different actors involved in each. Strategies need to be based on reliable and up-to-date information on the needs and characteristics of stakeholders in the relevant sector. Much of the necessary information may already exist in PAs, in particular PPAs, which tend to shed more light on the constraints faced by the poor, including their difficulty in gaining access to public services. However, PAs (especially of the older 'poverty line' variety) have often been unable to provide information on intra-household distribution of labour and resources, with the result that some significant gender dimensions of poverty have been neglected (IDS, 1994).

With PAs already an established procedure, and the increasing acceptance of the SIP approach, there is potential for synergy between the two exercises as they have common features, especially the need for close consultation with stakeholders. A PA undertaken in Zambia (which included a significant participatory component) is often held up as a model for future PA exercises. It placed strong emphasis on local participation, and included a series of consultations with a wide range of stakeholders.

Local participation in the preparation and dissemination of policy instruments and sector investments can be enhanced through SIPs. Tying the PA in with the development of sectoral strategies and SIPs will help to fill the gap between information on poverty and investments to alleviate poverty. However it will be important for PAs to incorporate both more participatory components and a particular focus upon the needs of women.

THE INSTITUTIONAL FRAMEWORK

The effectiveness of institutions in policy formulation and implementation is central to the success or otherwise of SIPs and ASIPs. A key component of SIP strategy is therefore to conduct a sectoral institutional assessment prior to undertaking a SIP, focusing at least on the following indicators:

- willingness and ability of the government to take a leadership role in the process;
- adequate capacity in project management; and
- reasonably well developed and articulated strategies for the sector.

To date, within SIPs, institutional capacity issues have been handled primarily through strengthening of weak ministries and the upgrading of capacity in government agencies, through a combination of training, study tours, etc., but without addressing the underlying incentive constraints that lead to poor performance. Support to institutional strengthening may be more effectively incorporated as a pre-investment project, rather than as a programme component. Indeed it appears that in some cases (e.g. Uganda) the World Bank is now carrying out a 'pre-SIP' phase of institution-strengthening projects. However, if other donors are not involved in this pre-SIP stage, problems may arise if they are later asked to participate in an SIP for which some important parameters have already been defined without their participation.

Institutional capacity building can extend beyond central ministries, and focus also on local institutions and on the private sector and NGOs. The SIP can therefore include investment on enhancing the role of these institutions.

The balance struck between growth and poverty alleviation, noted earlier, also has critical implications for the roles of public- and private-sector institutions. These roles are discussed at length in an associated paper (Griffith *et al.*, 1999), and are therefore touched upon only briefly here). The development model followed by many countries up to the early 1980s, which considered heavy state involvement as the most effective mechanism for implementing projects and policies, has been widely rejected, with the private sector and the market place now driving development. In addition, squeezes on public-sector expenditure have resulted in the decline of quality and quantity of publicly provided services. However, the retreat of the public sector in service provision has often left a void, with private providers not always able to fill the gap. Shortfalls have often included services to poorer farmers, such as those in marginal and remote areas, which may provide low returns and high risks, and therefore discourage private-sector involvement. Under these circumstances it can be argued that the role of the state in the agricultural sector should be to regulate, and to provide services where the market

fails, or to intervene where the operation of the market leads to outcomes in conflict with development goals.

As stressed by Harrold (1995), the policy framework needs to spell out the “boundaries of government operations in the sector”, and also to develop a strategy for removing constraints to private-sector activities, and actively encourage the expansion of the private sector. At the same time, the sectoral approach provides an opportunity to assess the impact of the withdrawal of the state from agricultural service provision in the face of sharp expenditure reductions, which has occurred widely in sub-Saharan Africa. Such assessments need to include NGOs, which are increasingly being used by donors as vehicles for implementing aid programmes, and which are favoured by donors because of the perceived inadequacies of both the public and private sectors in targeting the poor. Whilst NGO involvement is often justified on the basis that NGOs are more aware of the needs of the poor, and better able to work with poorer communities in the identification and implementation of projects, there is also growing recognition that not all NGOs have such capabilities. NGO involvement has generally been driven by donors rather than by recipient governments, and there may be varying degrees of mutual suspicion between NGOs and the state.

In the face of such issues, most recent analyses of institutional support needs for the agricultural sector emphasize the importance of an array of institutions – public and private sector, NGOs and farmer-based organizations – working together to varying degrees. There is growing recognition that service provision should be more farmer-led, and that institutions need actively to try and increase the interface with their clients. ASIPs designed for the sector will need to take such institutional complexities into account.

The need for more grass-roots participation in the SIP process may imply decentralization and the devolution of authority. Perhaps one of the greatest reservations about SIPs arises from the perception that they are inherently statist, centralizing and top-down. The tendency has been to deal with central ministries and to take little account of concerns at the provincial or district level. This conflicts with a general shift on the part of donors (and many African governments, e.g. Ethiopia, Ghana, Uganda and Tanzania) towards decentralization as a means of making public services and expenditure more sensitive and accountable to the needs of

local people. An inherent danger of the SIP approach is that the process may be politically hijacked, with ownership by the government and not by the country as a whole.

Those donors such as DANIDA who attach major importance to decentralization and local-level decision-making and capacity-building have found on various occasions that the thrust of SIPs is contrary to their decentralization efforts. Yet decentralization of decision-making as part of public-sector reform has been an ostensible feature of many SIPs. To be sustainable, decentralization must be backed by political will, and by concerted efforts to build the capacity of local institutions to implement their new tasks. It also requires the establishment of an appropriate balance between public sector, private sector and civil society.

TARGETING AND REPRESENTING THE POOR AND WOMEN

Donors and the recipient government will need to agree on targeting within an SIP or ASIP, if the poor are to be reached effectively. Lack of explicit agreement between individual donors and the recipient government on which poor groups are to be targeted means that there is likely to be a vague definition of target groups, with a consequent loss of effectiveness. Ineffective targeting also makes it difficult to establish agreed procedures for monitoring and measurement of impact which will be acceptable to all donors. Within ASIPs, targeting may entail a series of choices, e.g. is the target to be the very poorest? or those who have particularly poor land? or women who hold use rights to land up to a certain area – although their husbands may hold more land? or female-headed households? or a combination of categories?

The basis of targeting can be developed via a country Poverty Assessment, either one already carried out in conjunction with the World Bank or another agency, or if necessary one specially commissioned. However, even under these circumstances there may be a particular difficulty with identifying and targeting very poor groups, which are sub-groups of larger, differentiated populations (which may themselves consist entirely of absolutely poor people). In this context, there is the potential for various different groupings and for broader or narrower groups to be targeted. Individual donors and the recipient government may have very different views on how disadvantaged groups should be defined and which should be targeted, and these differences need to be resolved early in the

SIP or ASIP process. Similarly, there is a need to identify the degree to which direct or indirect means are to be used to reach target groups.

The targeting of women is more complex than that of poor groups composed of men and women, since women are only to a certain extent separate economic actors. For gender to be integrated meaningfully into the SIP process, it is not good enough simply to consider certain sub-sectors or projects to have gender dimensions. Instead there is a need to recognize that gender is relevant throughout the sector, and that seemingly 'gender-neutral' institutions may in fact operate against the interests of women, especially poor women. These issues have been addressed recently by the Development Assistance Committee's Women in Development Task Force on Gender Guidelines for Programme Aid, for whom a series of important papers have been produced by Elson and Evers (1997).

One key point in the analysis of gendered structures is that gender bias results in patterns of public (or private) expenditure, and public (or private) service delivery, which reproduce rather than diminish gender inequality. The result is costs, which are borne by women in the reproductive economy, but which have negative implications for both family well-being and social and economic development. Increased unpaid reproductive work in the economy for their families and communities can 'crowd out' women's investment in social capital. Thus the reduction of public expenditure in one sector may, by undermining social capital, create a need for increased spending elsewhere because households cannot cope.

Critical to the success of the SIP approach is the participation of stakeholders in the preparation process, not just in the implementation. A consistent flaw identified in the Oxford Policy Management review (OPM, 1997a) is that even though SIPs have proposed considerable decentralization in decision-making, the actual involvement, especially long-term involvement, of local officials in the development of the SIP is limited. This raises questions of how the poor are reached for consultation, and of who can legitimately claim to represent the poor, given that the poor are a large and diverse group.

Broad participation in the preparation phase is necessary to help develop a feeling of local ownership, and also to promote policies and expenditure which are more responsive to the needs of the sector. Possible

stakeholders include government (central and local), NGOs, potential beneficiaries of the programme (or losers from it), the private sector, and others. Stakeholder participation and consultation is necessary throughout the process leading up to the SIP, including the development of a policy framework and also in any prior poverty assessment.

More attention needs to be paid to mechanisms for increasing participation. The *Zambian Agricultural SIP* provides some useful insights into how consultation could be approached and its potential pitfalls (Chiwela *et al.*, 1997). Efforts were made to involve stakeholders throughout the SIP preparation using the following mechanisms:

- a national workshop was convened at the start of the process to gain inputs from the public;
- committees formed to compile sub-sectoral investment proposals included members, and often chairmen, from the non-governmental sector; and
- consultations were held with small-scale farmers and extension staff.

However, Chiwela *et al.* (1997) report that the consultation process was concentrated at the national level, and at the local level the process appeared “unsystematic and less well focused”. This ultimately resulted in the lower-level stakeholders perceiving the SIP as a foreign-owned programme.

Harrold notes that, “communication of the preparation report to potential beneficiaries should be carried out after preparation has been completed, but before appraisal, so that beneficiary feed-back can be incorporated in the plans.” The use of the word beneficiaries may be misleading here there may be losers as well as gainers, and the consultation process will need to take into account any interest groups threatened by the SIP.

5

CONCLUSIONS

This paper has highlighted a number of areas of concern over the extent to which SIPs and ASIPs can address the poverty agenda more effectively than the project approaches which they replace. The SIP approach certainly allows greater coherence between donors and local agendas. It can enable more effective coordination, not least between donors, and it may assist in generating new institutional initiatives, including a more balanced view of public sector participation which can tackle poverty and gender issues more effectively.

It is less clear if the strategy can provide a sufficiently focused approach to target specific groups of the poor, notably the poorest and women. The latter issue is linked to the degree to which participation of target communities can be dealt with in the SIP process. Poverty assessments may provide part of the answer by identifying both the characteristics of the poor and specific groups of the needy within poor populations as a whole. However, to be effective there is a need for representation and/or participation by the poor at all stages of the SIP policy, planning and implementation process – it is not clear whether SIP rather than project-based approaches are best able to provide for such participation. This issue is especially important in the case of ASIPs in Africa, because of the diverse interventions that are likely to be needed to address constraints within the sector.

In institutional terms both project and sector-based approaches are likely to require more diverse and imaginative combinations of bodies to target effectively the needs of the poor and of women. SIP and ASIP approaches imply a rebalancing of the role of the public sector with the growing recognition that liberalization and reliance upon private-sector provision alone is insufficient. However, as well as public- (and private-) sector

agencies, there is also a need to draw upon NGOs and farmer-based bodies, or hybrids of these. Such approaches may need to be combined with the decentralization programmes which are increasingly being adopted as part of poverty-focused agenda in Africa. Decentralization *per se* may sit uneasily alongside SIP approaches, although if explicitly recognized, such approaches may assist in stimulating greater grass-roots participation.

Major long-term socio-economic trends in Africa may have important implications for SIP development. In Africa, current population growth is leading to increasing pressure for the intensification of agricultural activity, rather than the extension into new areas of cultivation which was a feasible strategy in the past. There may well be a need for more location-specific interventions which raise productivity on a sustainable basis, and ASIP approaches will therefore need to be more disaggregated and flexible than would otherwise be the case. The expansion in urban populations and rural/urban linkages may also require consideration in developing combinations of SIPs to meet the needs of poor people. A particular challenge will be to adapt components of ASIPs to capture the linkages which exist between the two sectors, and which are often of particular importance to both the rural and urban poor.

Planning and operational experience with SIPs, and with ASIPs in Africa in particular, has been relatively limited. Further development and experimentation, particularly with the use of poverty assessments, flexibility over the participation of a range of institutions, and incorporation of participation from grass-roots bodies in planning and implementation, may be expected to overcome many of the drawbacks encountered. In particular, such approaches should serve to improve the incorporation of poverty and gender objectives. Whilst project approaches will remain of varying degrees of importance in the support provided by different donors, there is also scope for improving the interface between project and SIP approaches.

BIBLIOGRAPHY

BINSWANGER, H. P. and LANDELL-MILLS, P. (1995) *The World Bank's Strategy for Reducing Poverty and Hunger: a report to the development community. Environmentally Sustainable Development Studies and Monographs Series No. 4.* Washington, D.C.: World Bank.

BMZ (1992) *The Main Elements of Poverty Reduction*. German Federal Ministry for Cooperation.

CHIWELE, D., ENGEL, A. and TEMBO, S. (1997) *Sector Investment Programmes: Design and Implementation of the Agricultural Sector Investment Programme (ASIP) in Zambia*. Harare/Lusaka: Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)/SNRD.

DANIDA (1995) *Evaluation Report: Poverty Alleviation Nepal Country Programme* Copenhagen: Ministry of Foreign Affairs.

DANIDA (1996a) *Agriculture: Danida Sector Policies*. Copenhagen: Ministry of Foreign Affairs.

DANIDA (1996b) *Evaluation Report: Poverty Reduction in Danish Development Assistance*. Copenhagen: Ministry of Foreign Affairs.

DANIDA (1996c) *Guidelines for Sector Programme Support*. Copenhagen: Ministry of Foreign Affairs.

DE LIGNE, A. (1997) *Mission Report on the International Workshop on ASIPs held in Lusaka, February 1997*. European Union DG VIII internal document.

ELSON, D. (1997) *Integrating Gender Issues into Public Expenditure: Six Tools*. Manchester, UK: University of Manchester.

ELSON, D. and EVERS, B. (1997) *Sectoral Programme Support: a Gender-Aware Analysis*. Manchester, UK: University of Manchester.

FAO (1995) *Fourth Progress Report on the Implementation of the Plan of Action for Integration of Women in Agricultural Development*. Rome: Food and Agriculture Organisation of the UN.

GRIFFITH, G., KINDNESS, H., GOODLAND, A. and GORDON, A. (1999) *Institutional Development and Poverty Reduction*. Policy Series 2. Chatham: Natural Resources Institute.

HARROLD, P. *et al.* (1995) *The Broad Sector Approach to Investment Lending*. World Bank Discussion Paper No. 302. Washington, D.C.: World Bank.

HEWITT, A. (ed.) (1994) *Crisis or Transition in Foreign Aid*. London: Overseas Development Institute.

HOEBINK, P. (1995) *The Comparative Effectiveness and the Evaluation Efforts of EU Donors*. The Hague: NAR.

IDS (1994) *Poverty Assessment and Public Expenditure: a study for the SPA working group on poverty and social policy summary report*. Brighton, Sussex: Institute of Development Studies.

IDS (1996) Poverty, Policy and Aid. *IDS Bulletin*, **27**, No. 1.

JACKSON, C. (1995) *Rescuing Gender from the Poverty Trap*. Gender Analysis in Development Series. Norwich: University of East Anglia.

KELLER, B. (1996) *A Gender Equality Results Analysis of Agriculture and Rural Development Activities*. Stockholm: Swedish International Development Assistance.

LIPTON, M. and MAXWELL, S. (1992) *The New Poverty Agenda: an Overview*. *IDS Discussion Paper No. 306*. Brighton, Sussex: Institute of Development Studies.

NETHERLANDS GOVERNMENT (1996) *Sectoral Budget Support*. The Hague: Government of the Netherlands, Economic Structure and Employment Department.

OPM (1997a) *Sector Investment Programmes in Africa: Issues and Experience*. Oxford: Oxford Policy Management.

OPM (1997b) *RNR Country Strategies: a Review*. Oxford: Oxford Policy Management.

POWERS, T. (1989) A practical application: the IDB experience. In : *The Impact of Development Projects on Poverty*. (C. Morrisson, ed.). Paris: OECD.

RANDAL, J. and GERMAN, T. (eds) (1995) *The Reality of Aid 1995*. London: ActionAid.

RIDDELL, R., BEBBINGTON, A. and PECK, L. (1995) *Promoting Development by Proxy: the development impact of government support to Swedish NGOs. SIDA Evaluation Report Series No. 2*. Stockholm: Swedish International Development Assistance.

SIDA (1995) *Policy and Background Document on Sector Programme Support*. Stockholm: Swedish International Development Assistance.

SIDA (1996) *SIDA's Poverty Programme*. Stockholm: Swedish International Development Assistance.

SIDA (1997) *Handbook for Mainstreaming a Gender Perspective in the Agricultural Sector*. Stockholm: Swedish International Development Assistance.

UDSHOLT, L. (1997) *Danish Aid Policies for Poverty Reduction. ODI Working Paper 100*. London: Overseas Development Institute.

UNICEF (1987) *Adjustment with a Human Face*. Rome: United Nations Children's Fund.

WENNERHOLM, C. (1994) *Gender Aspects in the Activities of the Natural Resource Management Division at SIDA*. Stockholm: University of Stockholm.

WILMSHURST, J., ACKROYD, P. and EYBEN, R. (1992) *Implications for UK Aid of Current Thinking on Poverty Reduction. IDS Discussion Paper No. 307*. Brighton, Sussex: Institute of Development Studies.

WORLD BANK (1990) *World Development Report*. Washington DC: World Bank

WORLD BANK (1996a) *Taking Action to Reduce Poverty in Sub-Saharan Africa*. Washington, D.C.: World Bank.

WORLD BANK (1996b) *Poverty Assessment: a Progress Review*. Washington, D.C.: World Bank, Operations Evaluation Department.

WORLD BANK (1997a) *Implementing the World Bank's Gender Policies: Progress Report No. 2*. Washington, D.C.: World Bank. (Draft)

WORLD BANK (1997b) *Sector Investment Programs: An Update*. Paper prepared for the SPA Donors' Meeting, June 1997. Washington, D.C.: World Bank, Africa Region Knowledge Information and Technology Center.

WDM (1995) *The Great Aid Robbery: how British aid fails the poor*. London: World Development Movement.

ABBREVIATIONS

ASIP	Agricultural Sector Investment Programme
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (Germany)
CAS	Country Assistance Strategy
DANIDA	Danish International Development Assistance
DFID	Department for International Development (UK)
EU	European Union
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (Germany)
NGO	Non-governmental organization
OPM	Oxford Policy Management
PA	Poverty Assessment
PPA	Participatory Poverty Assessment
SIDA	Swedish International Development Assistance
SIP	Sector Investment Programme
SPA	Special Programme on Africa (World Bank)
SPS	Sector Programme Support
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund

