

Background briefing : Strategies for sustainable development: Can country-level strategic planning frameworks converge to achieve sustainability and eliminate poverty?

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Overview

One in five of the world's population live in absolute poverty on less than \$1 a day. Natural resources, which are vital for the livelihoods of the poor, are under intense pressure. The challenge of sustainable development remains enormous.

The world community has agreed an international target for all countries to implement a national strategy for sustainable development (nssd). DFID is committed to supporting developing country partners to begin implementing such strategies by 2005.

National strategies for sustainable development aspire to certain principles, in particular as a participatory process for integrating economic, social and environmental priorities (see box 1). Such principles are already being applied in low-income developing countries through the large number of existing country-level frameworks, such as National Visions, Agenda 21, the Comprehensive Development Framework and most recently the Poverty Reduction Strategies.

Given the focus of international effort and resources on Poverty Reduction Strategies, this briefing looks at the opportunity which exists for these frameworks to become effective strategies for sustainable development. It suggests that, while there is a significant opportunity to put into practice common principles of strategic planning for sustainable development, the achievement of the target will require the following action:

Convergence between frameworks: Duplication between different existing country-level frameworks causes confusion and strains limited human and financial capacity. Country frameworks increasingly share common principles, but greater convergence is needed to allow countries to develop a coherent national owned strategy.

Adherence to principles: Country frameworks such as the Comprehensive Development Framework and Poverty Reduction Strategies need to ensure that they adhere to the principles to which they aspire. Areas where country frameworks have been particularly weak in the past include monitoring and

lesson-learning, ensuring genuine country ownership and integrating environmental issues.

Poverty-environment integration: Country frameworks need to take account of the environment as an important determinant of poverty. Environment and natural resource focused agencies need to be engaged in the formulation of Poverty Reduction Strategies and articulate how the integration of environmental issues can support poverty elimination.

The 'label' does not matter. What is more important is to use strategic planning to assist each country to move towards a more sustainable future. Nationally-owned Poverty Reduction Strategies offer a major new opportunity. If such a country-level framework lives up to its stated principle and includes the integration of environmental concerns, then it will be an effective strategy for sustainable development for achieving the international target. Action is needed to ensure that this takes place.

Responding to the challenge of sustainable development

Sustainable development has been defined by the Brundtland Commission as "development that meets the needs of the present without compromising our ability to meet the needs of the future". Poverty elimination is central to sustainable development. These three main elements of sustainable development – poverty eradication, environmental protection and concern for future generations – are set out in the Rio Declaration signed at the UN Conference in Rio in 1992.

Based on Rio and other UN conferences, the international community has signed up to seven International Development Targets to achieve poverty reduction through sustainable development. While all the targets contribute to sustainable development, the specific environment target states:

"There should be a current national strategy for sustainable development in the process of implementation, in every country, by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015".

Agenda 21, also agreed at the Rio Conference, points out that prevailing systems for decision-making in many countries tend to separate economic, social and environmental factors at the policy, planning and management levels. Agenda 21 states that countries should adopt national strategies for sustainable development which "should build upon and harmonize the various sectoral economic, social and environmental policies and plans that are operating in the country". National strategies for sustainable development are much broader than national environmental action plans.

Developing strategies for sustainable development entails the integration and balancing of economic, social and environmental components where possible, and making hard choices and trade-offs where it is not. This negotiation may require a new partnership between the private and public sectors and broad civil society.

A process that puts in place the framework and activities to respond to these challenges is a strategy for moving towards sustainable development. The Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD) has defined national strategies for sustainable development as "a strategic and participatory process of analysis, debate, capacity strengthening, planning and action towards sustainable development". It does not require the development of a document or a new planning framework. Rather, it aims to build on existing country frameworks and ensure the integration of all components of sustainable development into the national planning process.

Key principles for sustainable development strategies

There is a growing recognition that strategies which will achieve poverty reduction through sustainable development require commitment to a number of key principles:

Box 1: Key principles for strategic planning for sustainable development

People-centred: While many past strategies have been about development, they have often had mixed effects on different groups. More should be done to ensure that all strategies have long-term beneficial impacts on disadvantaged and marginalised groups, such as the poor.

Comprehensive and integrated: Rarely have strategies been comprehensive, and the integration of economic, social and environmental objectives is very difficult to achieve. But if gains in poverty reduction are to be maintained, environmental issues cannot be ignored.

High-level political commitment and influential lead institution: The need for participation does not dilute the requirement for leadership from above. Hard choices, especially in the face of the institutional inertia of government and resistance for change by established elites, requires commitment from the head of state and senior ministers, as well as the more influential government departments such as the finance ministry. Linking donor resource flows to government commitment may be helpful in reinforcing the incentives for change, but this can be at odds with some of the other principles (for example, country ownership and participation).

Based on national political realities Strategies need to address the political context in which all stakeholders are operating. In any country, tensions exist between the more or less reformist elements within government, whether particular ministers are on speaking terms and the shortened time-frame in the face of forthcoming elections or other uncertainties.

Process and outcome orientated: Strategic approaches to date have been dominated by a focus on delivering a document, often prepared by officials and/or consultants, and based on insufficient, weak or dated analyses. This has resulted in inadequate processes for building consensus on agreed ways forward. A commitment to the quality of the process, and a focus on outcomes and looking forward rather than back, is required.

Country-led and nationally-owned: Past strategic planning processes have often resulted from external pressure and donor requirements. Externally-driven strategies are rarely implemented. It is essential for countries to take the lead and initiative in developing their own strategies. Country leadership also implies a pace which makes sense for the country and its decision-making process. It requires both government and civil society to have a stake in the strategy process.

Participatory: Most strategies have been prepared with only limited participation. Clearly central government must be involved, but also local authorities, the private sector and civil society groups, as well as marginalised groups. There are often constraints of time and resources, as well as fears over losing control of the process. However, experience shows that broader participation can be helpful in opening up the debate to new ideas, exposing issues that need to be addressed, and can develop a consensus on the need for action that leads to better implementation. However a diversity of views needs to be managed to ensure that this does lead to planning paralysis.

Incorporating monitoring, learning and improvement: Strategy formulation and implementation should be an iterative process. Monitoring and evaluation needs to be built into strategies to distil lessons. These should feed back into the strategy and allow interventions to be improved. Too often, interest falls away once the first version of the strategy has been finalised. Results tend to be poorly monitored, and future strategies often fail to build on past lessons.

Awareness of future needs: Although vision statements may have a clear view of where the country wants to go, few have developed and considered alternative scenarios which consider developmental goals and conditions for the future.

Targeted with clear budgetary priorities: Priorities need to be based on sound diagnosis, recognising economic and political constraints, and limited institutional capacity. Governments, civil society and donors need to know which issues are worth pursuing. The strategy needs to be fully integrated into the budget process

to ensure that plans have the financial resources to realise their objectives, and budgets are informed by meaningful planning. Strategies not linked to budgets tend to be wish lists, while budgets not linked to plans lead to unclear priorities.

Capacity consistent: Many existing strategies have failed as countries have lacked the human resources and skills to implement them. Those responsible for the development of strategies must be aware of the human constraints to implementing them, and make provision for developing the necessary capacity.

Building on existing processes and strategies: Any strategic planning needs to take account of what already exists in a country. A strategy for sustainable development is not intended as a new planning process.

These suggested principles describe a set of desirable processes and outcomes, yet allow for local differences. They do not represent a checklist of criteria to be met. Rather, they are principles towards which strategies should aspire. Moreover, there is nothing new in any of the above principles – many of them are entirely consistent with basic good strategic planning. But experience shows that, despite best intentions and commitments, these principles are seldom observed. The challenge may be one of strengthening incentives and securing a commitment for change, rather than a problem of lack of knowledge.

Country-level frameworks: a new opportunity

A growing array of country-level planning frameworks are being developed: National Visions, Agenda 21, the Comprehensive Development Framework and Poverty Reduction Strategy Papers. They provide a significant opportunity to put the principles of strategic planning for sustainable development into practice.

The Comprehensive Development Framework seeks a better balance in policy-making by highlighting the interdependence of all elements of development – social, structural, human, governance, environmental, economic, and financial. It emphasises partnerships among governments, donors, civil society, the private sector, and other development actors. Of particular importance is the stress on country ownership of the process, with bilateral and multilateral donors each defining their support for their respective plans.

Poverty Reduction Strategies also incorporate a number of the above principles. They should be country-driven, be developed transparently with broad participation of key stakeholders, including elected institutions, civil society, bilateral and multilateral donors, and have a clear link with the agreed International Development Targets.

The principles of the Comprehensive Development Framework and Poverty Reduction Strategy Papers are thus consistent with many of the principles of strategic planning for sustainable development. But if they are to assist countries

with development which will maintain poverty reduction in the longer term, then adherence to these principles and commitment to the importance and integration of the environment, as one of the determinants of poverty, is needed.

The challenge

The frameworks also present significant challenges. The first is to achieve convergence between different frameworks and reduce duplication. This is crucial given the limited human and financial capacity available in many low-income developing countries. With real commitment from donors, it is entirely possible for the Poverty Reduction Strategy to become an effective strategy for sustainable development without overloading the process. Uganda (box 3) is a country where this is beginning to happen.

The second is for country frameworks to be developed and implemented in the manner in which they were intended and adhere to their stated principles. This requires a real commitment to improving current implementation practice and is as relevant to donors and the way in which they work as it is to developing country partners. Particular attention will be needed to principles where commitment in the past has been weak or non-existent. These include:

1. Addressing the structural causes of poverty, including environmental degradation

Too often, past poverty reduction efforts have focused largely on increased social spending on the poor, while ignoring the underlying causes of poverty such as unequal political structures, unequal wealth distribution or unequal exposure to environmental degradation. Increasingly, the economic, social, and political issues of poverty are receiving attention, but the links between environment and poverty (both in terms of the environment as a cause of poverty as well as being a major contributor to assisting poverty elimination) continue to be poorly understood and overlooked, even though they are often fundamental (see box 2). For example, while building more clinics may help cure the ill-health of the poor, it may not address the often underlying environmental causes of ill-health – poor quality water, lack of sanitation, water-borne diseases and indoor air pollution.

Box 2: Poverty-environment links

Both the DFID strategy paper *Achieving sustainability: poverty elimination and the environment* and the draft World Bank *Environmental Strategy* identify three main ways that better environmental management contributes to poverty elimination: 1. Improving the health of poor people – it is estimated that environmental factors are responsible for almost a quarter of all disease in developing countries. For example, indoor air pollution from biomass burning kills some four million children a year and decreases the life expectancy of millions more, particularly women. 2. Increased livelihoods – soil erosion affects up to a

billion people. Livelihoods opportunities are also undermined by biodiversity loss and deforestation, water scarcity and coastal degradation. 3. Reduced vulnerability – 1998 was the first year in which refugees from so called ‘natural disasters’ exceeded those displaced by war. This will worsen as a result of climate change. Environmental stress often contributes to conflicts.

2. Balancing short-term priorities with long-term sustainability

Success will also require strengthening the country-led frameworks in areas where they are currently deficient. Particular areas of weakness are balancing long-term and short-term goals and taking a comprehensive approach. The Comprehensive Development Framework aims to develop a long-term vision and to be comprehensive, but there is also a need to focus on outcomes and impact. The attention to longer-term issues in guidance for Poverty Reduction Strategy Papers is weak, reflecting a short and medium-term perspective. Yet ignoring more long-term underlying issues, such as the environment, may result in reductions in poverty being ephemeral.

3. Effective monitoring and improvement

Monitoring and evaluation of strategies continues to be weak and, as a result, few lessons from experience are fed into modifying existing strategies or improving the approach to future strategies. Building on existing processes and developing systems and capacity for monitoring progress are essential elements of a learning process. A focus on development outcomes and indicators for these need to be developed.

4. Ensuring strategies are country-led

There are strong pressures and incentives behind the country frameworks: they have strong external champions in the International Monetary Fund (IMF) and World Bank, and the explicit and implicit links to important sources of external finance are likely to secure the interest of finance ministries. But time constraints and donor behaviour can have an impact on meaningful participation and genuine country ownership. There is a commitment to tailor these frameworks to individual country circumstances. Efforts to ensure that this principle of ownership is adhered to in practice will require a change in the approach of donors and developing countries.

DFID is working with its development partners to strengthen the Poverty Reduction Strategy process. This includes encouraging and supporting adherence to these principles, particularly the integration of environmental concerns, and a convergence of country-level planning frameworks around the priority for poverty reduction. But collaborative action is required at both the national and international levels if this adherence and convergence is to take place in practice.

Priority action: how to make a Poverty Reduction Strategy an effective sustainable development strategy

The focus here is on action to integrate environmental concerns and promote convergence between different country-level frameworks. At the national level, action will be needed particularly to ensure that Poverty Reduction Strategies integrate environmental concerns. At the international level, the priority is for the various international agencies to move beyond promoting their 'brand' of country framework and promote greater co-operation. This requires both the UN and Bretton Woods Institutions to work more closely together.

National action: the Uganda example

One of DFID's key priorities is to ensure that Poverty Reduction Strategies integrate economic, social and environmental concerns. Of the interim strategies that have been produced so far, environmental issues are either ignored altogether or have only a limited role, despite the often fundamental links between poverty and the environment. However, Uganda's strategy is one example of a country which has achieved many of the principles of strategic planning for sustainable development, including an integration of some of the key environmental issues (see box 3).

Box 3: Is the Ugandan Poverty Reduction Strategy a national strategy for sustainable development?

The Ugandan Poverty Reduction Strategy has emerged from the Government's revision of its national Poverty Eradication Action Plan, so it has strong national ownership and political commitment. Its drafting was an iterative and participatory process. However, a number of important poverty-environmental links were overlooked in an early draft. These included improving the health of the poor by better sanitation, the effect of declining water and biomass resources on livelihoods, overgrazing from restocked rangelands, and the links between soil erosion and agricultural productivity. DFID has since funded international and national consultants to help the Ugandan environment agency become involved in the drafting process, understand the poverty-environment linkages, and lobby the relevant ministries to amend the text accordingly. Many of these amendments are reflected in the approved Poverty Reduction Strategy. DFID is now funding further technical assistance to ensure that these issues are also reflected in implementation, particularly in the development and implementation of the Plan for the Modernisation of Agriculture, which is one of the key priorities to emerge from the Poverty Reduction Strategy process. As the process develops, it is hoped that the Poverty Reduction Strategy can increasingly reflect a sustainable development strategy.

International Action

The debates over how to implement Poverty Reduction Strategies and Agenda 21 run on parallel but separate tracks despite their obvious similarity. This is due both to institutional tension between the UN system and the Bretton Woods Institutions, and by the lack of dialogue between poverty-focused policy-makers, and environment-focused policy-makers. A more constructive partnership is needed. Preparations and discussion leading up to the Rio + 10 summit in 2002 provide an ideal opportunity.

This partnership can be developed by a collaborative approach to monitoring. There is a need to monitor whether all countries (including the developed countries) are moving towards the International Development Target, not as an end in itself but to promote sustainable development. Monitoring is complex due to the qualitative judgements required to determine to what extent the principles of strategic planning for sustainable development are being achieved. This could be achieved by some form of peer review process which would promote shared learning, as well as encouraging an independent assessment.

Limited work has been carried out, to date, to address these important questions. Existing efforts to monitor processes for sustainable development have tended merely to list the existence of documents such as National Environmental Action Plans and National Conservation Strategies, and this has only added to the confusion about what constitutes a national strategy for sustainable development.

A number of international bodies are responding to this challenge, in particular the OECD, the UN and the World Bank (see box 4), but there still needs to be much greater co-ordination and drawing together of the initiatives. The Rio +10 Summit, to be held in 2002, and the preparatory fora which precede it, provide opportunities to take this debate forward. While countries will be asked, as part of the Rio+10 process, to outline progress on their sustainable development processes, there is a need for a more prospective, forward-looking approach to address how countries will seek in the future to adhere to these principles and implement commitments made as part of their Poverty Reduction Strategies. This debate should take place in conjunction with the agreement of a process for verification of all the International Development Targets.

Box 4: Monitoring effective processes for sustainable development

The OECD Development Assistance Committee, which has endorsed all the International Development Targets, met in Paris in March 2000 to consider indicators to measure the targets. It was agreed that the indicator for the sustainable development target should be changed from "existence of a national strategy for sustainable development" to "existence of effective processes for sustainable development." This moves the focus away from a single document to a more process-orientated approach. The Working Party on Development Co-operation and Environment of the Development Assistance Committee has

mandated a task force on national strategies for sustainable development, which is co-led by DFID, to develop guidance for donors on best practice in developing and implementing national strategies for sustainable development, based on developing country experience. The task force will report in mid 2001. The UN Division for Sustainable Development has organised a series of regional consultations on sustainable development which have addressed the key characteristics of national strategies for sustainable development. These include many of the principles set out earlier in this background briefing. Some practical examples of these approaches are also found in the work of Capacity 21 (a trust fund administered by the United Nations Development Programme) which increasingly focuses on disseminating lessons of sustainable development through publications and regional seminars. The World Bank/IMF intends to undertake an evaluation of the Comprehensive Development Framework and the Poverty Reduction Strategy process. This will provide a useful guide to the extent that they have lived up to their stated principles.

Further information

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Further information on national strategies for sustainable development (nssds) and the work of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD) can be found at the web page: www.nssd.net

Other sources of information:

www.worldbank.org – website of the World Bank

www.imf.org – website of the International Monetary Fund

www3.undp.org – website of Capacity 21, the United Nations Sustainable Development Networking Programme

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