Empowerment and poverty reduction in rural communities – a case study on changes in civil society and local government practices and lessons for influencing pro-poor policy

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Abstract

SAHA is a rural poverty reduction development programme[3] that started in 2000 to support civil society actors in three regions of Madagascar. Its aim is to improve socio-economic well-being, and to promote social cohesion, solidarity and the sustainable management of natural resources. The programme's approach is to link the development demands of community organisations with the supply of services by the private sector or civil society actors.[4] Project facilitators play a crucial role in this approach, providing support to community organisations in formulating their demands and negotiating with local authorities and service providers. The facilitators are also responsible for communication and evaluation within each project. As a basic rule, SAHA subsidises 85% of services to these micro projects.

During the planning and design stages of the SAHA programme, two different types of areas were identified; "zones with potential" and "enclosed zones". The criteria used to define these areas included factors such as economic stability, access to services and infrastructure, as well as specific criteria identified by the population itself for example, the duration of the lean period between harvests, access to land and local wages. Based on the above guidelines, plus the results of a participatory poverty assessment survey, three further categories relating to levels of poverty were identified; ***"poorest" ( ), "medium poor" ( ) and "less poor" (..)****. Monitoring and evaluation of the programme is designed on the basis of these categories.*

Phase I (2000-04) was a learning phase. It followed a thorough evaluation of Swiss support to Madagascar and extensive preparation to outline a set of hypotheses relating to poverty reduction. Amongst other objectives, the principle of non-exclusion was to be put into practice. In applying to SAHA, interest groups and existing community organisations have to formulate their demands for micro project support in competition with others, and must give evidence that their project will be inclusive.

The evaluation of phase I carried out in 2003 shows that "poorest people", as well as demands from "enclosed areas", were under-represented among the approved projects and that the needs in "enclosed areas" were different from those in "areas with potential". These findings resulted in the adaptation of particular programme strategies for phase II (2004-06).

In "enclosed areas" a new focus was introduced, namely, social and economic vulnerability reduction and food security, which resulted in agricultural diversification, increased household savings and the promotion of sanitation and literacy. In phase II programme implementation became more flexible, facilitation efforts increased, the communication strategy was adapted and the requirements for project proposals were relaxed slightly, which meant this category had higher project costs than for those in areas with potential, and also compared with more conventional rural development programmes.

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[2] Swiss Agency for Development and Cooperation, a Directorate of the Ministry of Foreign Affairs.

[3] Financed by the Swiss Agency for Development and Coooperation and implemented by Intercooperation, a Swiss NGO.

[4] From the outset, SHA has covered agricultural production and market linkages, water and sanitation, health, infrastructure and literacy.

In phase II, micro projects belonging to more than 1,150 community organisations in 215 villages were being supported by SAHA. Some 123,000 people benefited directly from the programme. A household survey conducted in 2005 shows that 80% of households in the three regions improved in terms of their "physical and mental well-being", and 37% improved their economic situation, 20% of which improved significantly. Of those households categorised as "poorest", 60% were satisfied with the support provided by SAHA in relation to economic improvement.

SAHA has received more attention in the national development context, however the informal institutional setting established by the programme still remains fragile.

SAHA is currently in phase III (2007-09). With the view to ending the programme by 2012, another strategic shift has been identified as being necessary: the programme will move away from providing direct micro support to community organisations, to supporting boundary partners (government, civil society or private sector organisations) at the meso level. Of the overall phase III budget, 50% will be allocated to micro project support, 31% to capacity development of boundary partners, and the remaining 19% to implementation and administration costs associated to the projects.

Links at the national policy level are being intensified during phase III. A project collaborator is being seconded to the local Word Bank office in order to roll-out the SAHA approach within its rural programmes. Collaborations with the EU and IFAD have also been initiated.

To conclude, the differentiated spatial approach of SAHA for "enclosed areas" and for those "with potential" is not common practice in SDC, and neither is it common practice for other donors. It requires the willingness to apply a flexible implementation approach and higher project costs to ensure a degree of inclusiveness, however the SAHA approach can be seen as good practice.

Introduction

The Swiss Agency for Development and Cooperation (SDC) is a government agency with an annual budget of approximately US$1 billion, whose bilateral programme focuses primarily on rural areas. The support it provides to programmes or projects in partner countries is usually long term – 10-15 years in most cases – and the design, objectives and strategies employed by SDC often evolve from one phase to the next, enabling appropriate programme evaluation and adjustment to take place. Despite the identification and planning of interventions taking one to two years, the main challenge of understanding the realties of poor rural men and women, their needs and potentials, and adjusting the design of programmes to meet the needs of different socio-economic groups remains. Experience shows that a differentiated understanding of poverty which includes the perspective of poor people is a precondition to ensure that the poorest people are not – intentionally or unintentionally – excluded from receiving external support.

The SAHA[5] case study is a rural development programme in Madagascar that has been running since 2000. SAHA has many features in common with SDC programmes, however it was planned under very specific circumstances. In a difficult context of development cooperation and following the assassination of a staff member, SDC reviewed its 20-year relationship with the government of Madagascar. With the hope of increasing effectiveness on the ground, the decision was made to re-launch a programme working in collaboration with civil society only, which would operate outside government structures. Later, after political changes in the country, SDC's exclusive support to civil society was softened and finally withdrawn. Under these difficult political conditions a monitoring and evaluation system was set up which has enabled thorough documentation of SAHA's development.

While the programme was running in its phase I, an extensive participatory poverty assessment was conducted External evaluations were carried out at the end of phase I and phase II, which informed the design of the subsequent phase. SAHA is currently in its third phase and plans are being made for the case study's completion by 2012. The programme is running in three regions[6] in central Madagascar where, according to official surveys, 85% of the population live under the poverty line.

[5] SAHA (Sahan'Asa Hampandrosoana ny Ambanivohitra means rural development programme in Malgash. The programme is funded by SDC and implemented by Intercooperation, a Swiss NGO.
[6] Menabe, Betsileo and Imerina.

Programme approach and basic assumptions

The overall goals of SAHA are to contribute to poverty reduction, improve living conditions and empower the rural population to take development into their own hands. The basic assumptions are:

- Rural economic development that leads to sustained poverty reduction needs to originate within the private sector – i.e. mainly from farmers, who are to take initiative and express their demand for development activities and support.
- Social cohesion and empowerment are strengthened by farmers associations or ad hoc community groups who develop their own demands and, following approval, manage their own projects and specific programme funds.[7] This may not be the case for all projects from the outset, however responsibility will gradually be transferred from SAHA to these civil society groups.
- In order to ensure the sustained provision of services by the private sector, local NGOs or civil society organisations a market for these services should be promoted, thereby encouraging competition and ensuring a certain standard of service provision.
- The programme has to facilitate linkages between the demand and supply side, whilst also developing specific capacities for each.
- Gender equality and environment need to be dealt with as transversal themes throughout the programme.

The areas of support provided by SAHA are in line Madagascar's national development plans. They are:

- Information and communication (programme strategies and plans tailored to the different stakeholder groups);
- Improvement of rural income (sustainable increase of agricultural production, value chain approach);
- Basic social services (literacy, water and sanitation, health).

The programme assumes from the outset that the poorest sections of the rural population will not benefit from income activities but rather from basic social services. The SAHA's annual budget is approximately CHF 6.3 million, which limits the support available and implies that the programme cannot respond to all demands.

Implementation principles

Each application for support should be submitted in the form of a project proposal that describes the planned undertaking at local level and the support required. Amongst other information, the proposal has to provide evidence that the project is non-exclusive within the community and, since up to 85% of the the services provided to the project can be co-financed, must outline the mandatory contribution by the group or association. However no direct support in kind or cash is being given to the group.

Each proposal is evaluated according to specific criteria and, if a proposal is successful, the partners, i.e. the civil society group, SAHA programme and private-sector service provider, enter a contractual agreement. This contract then forms the backbone for empowerment as the civil society group or association has to manage resources and supervise the service provider. This process requires negotiation skills, and support may be needed to resolve any conflicts within the group or with service providers.

[7] This "reversed flow of funds" is used as indicator for empowerment.

Programme-funded facilitators play a crucial role during this initial proposal process, informing applicants of the support available from SAHA and the conditions that must be met. The facilitators may assist in the drafting of proposals if required, keep informal links with local authorities, and check that the principle of non-exclusion is being fulfilled. They are also responsible for monitoring at the local level.

Any support provided by SAHA to civil society groups and farmer associations is always limited to the duration of a project, on the assumption that competition should increase the quality of proposals in the long run, and groups or associations should then be able to secure funds from other sources.

Phase I (2000-03)

The objective for phase I was to provide evidence that the structure and approach of the SAHA programme works. As a result of the participatory poverty assessment conducted in 2001, the programme adopted an understanding of poverty where, most importantly, well-being is explicitly described within mental and physical dimensions. This perception of poverty comprises:

- Primary needs: having a house with a thatched roof, no kitchen utensils, no change of clothes, no rice or meat to eat, no formal education, no money to buy medication, being dependent on others, living in a debt trap.
- Work: being forced to send one's children to work, having to work outside the village.
- Lack of productive assets: not owning a zebu, having no agricultural implements, no rice fields, no land.
- money: having no cash or savings.
- Social exclusion: having little respect within a community, being an immigrant, having no children, being widowed, having no one to provide care or support in times of need, being unable to meet social obligations.

These different criteria of poverty do not provide clear-cut categories for use by outsiders, however, therefore SAHA introduced the following three categories which are the result of the survey:

- Category 1: "less poor" (household being self-sufficient and having no lean period);
- Category 2: "medium poor" (partly dependent on cash income form outside the household);
- Category 3: "poorest" (lean period, dependent on cash income outside the household, sometimes landless).

Amongst those households involved in the project and resulting survey in 2006, the distribution of the above three categories was: "less poor" 25%; "medium poor" 42%; and "poorest" 33%. The programme assumes that these figures correspond more or less to the poverty distribution in the region.

The external evaluation conducted at the end of phase I showed that some 10,000 households received direct support from the programme. The evaluation confirmed the basic approach of SAHA and the resulting positive outcomes within the social sector. The programme helped to increase human capital, empower communities through improved communication and increase the negotiating capacity of civil society groups and organisations.

Whilst the poorest do participate in projects aimed at increasing income, they are under-represented due to influencing factors such as physical remoteness, and being socially or communicatively isolated. Their most important resource is time (and health) in order to bring in a daily wage for survival. Hence, they cannot afford to invest time in activities that do not generate immediate returns or those that may be perceived as high-risk. The survey also showed that the “poorest” felt that the SAHA programme does less to cater for their needs than for the “medium” or “less” poor, and that, overall, this group is least satisfied with the support provided by the programme.

Phase II (2004-06)

As a strategic response to the phase I evaluation, the following general adaptations have been made to the programme:
i) Local governance has been introduced as a new intervention, which corresponds to a strategic shift within the programme.
ii) A distinction has been made between “areas with potential” and “enclosed areas”, based on existing information at village level and surveys by facilitators in consultation with village authorities. The criteria are:

- remoteness (access by vehicle < 8 months of the year, proximity to market place > 20 km, poor or no radio communication);
- social aspects (migrants without land rights, convicted criminals);
- economic and natural resource potential.

Different implementation strategies have been applied to these spatial distinctions:
i) “Areas with potential”: the approach used throughout phase I in relation to ‘non exclusion’ has continued for phase II, and has been evaluated thoroughly. The value chain approach for the improvement of rural income has also been more systematically applied.
ii) “Enclosed areas”: procedures relating to project proposals have become more flexible and the standards lowered slightly, e.g. the contributions of civil society groups or organisations remain, but become rudimentary.

The following specific changes have been introduced:

- communication and information are being pro-actively reinforced by the facilitators with explicit involvement of village authorities.
- the villages or communities are now entitled to programme support which corresponds to a strategic shift in the basic programme approach to engage with civil society only.
- the non-exclusion principle is being vigorously enforced.
- literacy activities are being reinforced.
- activities that promote hygiene and sanitation have become compulsory, e.g. village cleaning campaigns.
- activities that reinforce social identity and solidarity are being promoted.
- New interventions relating to risk and vulnerability reduction, as well as food security, are being introduced. These provide support to encourage livelihood diversification based on existing short-term local practices that require limited investment in time and resources[8] but generate immediate returns. Micro finance (community-level saving) and small, one-off in-kind contributions are being introduced.
- synergies with other programmes such as those for civic education are being sought to create more leverage at the village level.

According to the evaluation conducted at the end of phase II, the programme involved some 50,000 households, with a total outreach of approximately 400,000 people (12.5% of the population) in the three regions. The impact hypotheses formulated at the beginning of the phase have been achieved, with the exception of the one on local governance, which requires a longer evaluation period

[8] For example, bee keeping, growing of vegetables, rearing poultry, composting.

The household survey showed a higher satisfaction with the programme support amongst the "poorest" compared with phase I. For this category, poverty-reducing outcomes include: i) a reduction of the lean period by 2-4 months; ii) reduction of debts, plus 70% of this group reported increased savings; and iii) 50% of this group reported improved mental well-being induced by changes in social behaviour, and improved health and physical well-being as a result of production-related improvements. Some households explicitly reported that they had graduated from category 3 (poorest) to category 2 (medium poor).

Phase III (2007-09)

During phase II the political and development context in Madagascar improved and, as a consequence, SDC has begun to formally engage with alignment processes. In view of trying to phase out the SAHA programme by 2012, the following strategic adaptations have been decided for phase III:

- the quality of programme implementation should be consolidated. At the same time, micro-level support to villages, ad hoc groups and farmer organisations will be withdrawn, and the programme will focus on strengthening "meso"-level partners from government and civil society who are responsible for service delivery within the projects.
- SAHA should actively engage in donor coordination for rural development, micro finance and for decentralisation.
- the programme should support village development planning processes that are necessary for the disbursement of funds from national decentralisation funds. The programme should focus on ensuring the inclusion of civil society into these processes.
- The programme should support inter-community structures responsible for managing natural resources.
- pilot programmes should be introduced to link "areas with potential" and "enclosed areas" within the value chain approach.
- using additional funds from the EU, the overall area covered by the SAHA programme will be increased.

For phase III, the overall budget for SAHA has been reduced to approximately CHF 4.6 million per year. Half of this budget is reserved for micro-level project support, 31% for capacity development of partners, and the remaining 19% for administrative/management costs.

Conclusions from a donor perspective

- **Spatial traps: differentiated strategies according to the needs**

The SAHA case study shows that addressing spatial poverty traps requires measures which specifically include the "poorest". Based on lessons learned throughout phases I and II, the programme has designed distinct strategies to support each of the three poverty categories in moving out of poverty:

- "less poor": support must allow for the improvement of production and management of resources, and also enable increased access to markets. This assumes that farmers will become entrepreneurs, which will subsequently cause significant changes to the rural context of Madagascar.
- "medium poor": support should enable increased productivity within this group so that they are able to become self-sufficient.
- "poorest": support should facilitate a reduction of risk and vulnerability through tailored livelihood diversification which includes human and social capital improvements and small, direct transfers.

Individual households may graduate from "poorest" to "less poor", however from a programme perspective all three strategies need to operate simultaneously. Only the specific support provided to category 3 ensures inclusion.

- **Trade off between reaching the poorest and scaling-up**

In targeting the "poorest", a greater degree of support is necessary in relation to the provision of information, sensitisation and social mobilisation than is required for the "medium" and "less poor", who are better informed and organised, and often have established relationships with local authorities. The "poorest" also require more intensive facilitation and support (technical, social, links to authorities) during the implementation of a project and tailored interventions within the productive sector, which has implications for the programme support costs. One could argue that there will be a trade-off between inclusion of the poorest and wider outreach when considering how to designate specific funds from donors. Whether intentional or not, donors tend to choose the latter option and, if at all possible, to support vulnerable groups with social transfers despite SAHA showing that other approaches also work. Inclusion of the "poorest" is part of the rural development programme and its deliverables, and most of the crucial elements of this approach relate to quality of implementation. This requires investment in the capacity of local partners, who need to have competent staff with an attitude that facilitates the empowerment of the population. SAHA programme measures go beyond providing technical support to encouraging economic development and increases in production.

- **Parallel structures versus harmonisation and alignment**

From the outset SAHA has been explicitly designed as a structure that operates outside government institutions. From SDC's point of view, remaining separate to government structures and processes was a precondition for the development and flexible implementation of its strategies, despite being a firm supporter of harmonisation and alignment in general. The evidence generated to date suggests that this approach can work and investments in "enclosed areas" can reduce poverty. However this requires a long-term perspective and considerable efforts towards capacity development amongst all stakeholders, including the ad hoc groups and farmer associations, which is a view that not all donors subscribe to. SDC's existing involvement with harmonisation and alignment practices, provides an opportunity to share SAHA's experiences and influence policy. However, the government follows an economic poverty-reduction approach that largely corresponds to the SAHA's "areas with potential" approach and not the "enclosed areas" approach. The assumption here is that economic development in areas with potential may ultimately trigger development in other areas, and the majority of bilateral and multilateral donors also operate along these lines. From SDC's point of view, a focus on poverty reduction limited to economic measures does not take into consideration the underlying socio-cultural dimensions of poverty. These may prevent the "poorest" from developing economically. Hence, the limitation to economic measures leads to programmes important elements of exclusion.

- **Livelihood evidence to influence policies**

Even as a small donor, one of SDC's policies is to be active at the micro level in terms of livelihood interventions as well as in policy dialogue and donor coordination within the main domains/sectors in particular countries. The feedback of evidence from the field into policy dialogue is an important mechanism to influence policies. In addition to this dialogue, SDC is using another mechanism to influence other donors in Madagascar, namely, the secondment of a SAHA staff member to the Word Bank's rural development team.

For SDC, SAHA provides valuable lessons for strategic orientation, particularly in relation to developing a demand for measures of empowerment and linking this with the supply side to ensure the development of quality services. Extensive participatory poverty assessment is not that common in SDC programmes; specifically, the differentiation of "enclosed areas" and "areas with potential" is very rare. The phase III plans to integrate harmonisation and alignment corresponds to SDC’s “mainstream" programmes, however.