

**Strategies for Sustainable Development: Can country-level strategic planning frameworks achieve sustainability and eliminate poverty?**

**A discussion paper prepared by the Sustainable Development Unit (DFID), IIED and CAPE ODI<sup>1</sup>**

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**Summary**

*New country-level strategic planning frameworks, such as Poverty Reduction Strategies and Comprehensive Development Frameworks, have the potential to assist developing countries to achieve sustainable development. They provide a vital tool for the achievement of the international development targets. There is an emerging consensus on the principles of sustainable development, and there needs to be strong commitment from both donors and developing countries to put these principles into practice. A process for monitoring strategic processes for sustainable development needs to be agreed internationally. Only when such commitment and monitoring is in place, can the challenges be addressed and the target of the implementation of national strategies for sustainable development be achieved.*

**Introduction: The International Development Targets**

The International Development Targets (IDTs) commit the international community to poverty reduction through sustainable development. It is therefore essential that strategic planning processes address all the IDTs and consider long-term sustainability. Reductions in poverty may prove ephemeral if this does not happen.

This process is highlighted in the specific IDT on sustainable development and environment: “there should be a current national strategy for sustainable development [nssd] in the process of implementation, in every country, by 2005”. This target had its origins in the 1992 UN Conference in Rio, was set out by the Development Assistance Committee of the OECD in 1996 in its “Shaping the 21<sup>st</sup> Century” policy document<sup>2</sup>, and was endorsed by the UN in 1997 at the UN General Assembly Special Session. It commits all countries to having a strategy for sustainable development.

Put simply, an nssd is the policies, plans, processes and actions that a country is taking to move towards sustainable development. This could be a single umbrella strategy or the aggregate of a range of coordinated, existing strategic planning approaches and initiatives. But the IDT is often misinterpreted. Its wording makes it easy to confuse an nssd with an environmental action plan. But a strategy for sustainable development requires a much broader approach. It should aim to integrate the three pillars of sustainable development - the social, economic and environmental dimensions - into national planning processes in pursuit of development which is more sustainable. Many people think that an nssd requires the preparation of a separate stand alone strategy. Some countries may choose to do this but, for most, it will make more sense to establish

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<sup>1</sup> Contributors to this paper include: Paula Chalinder, Alicia Herbert, Paul Steele and Pete Shelley (Department for International Development), Barry Dalal-Clayton and Steve Bass (International Institute for Environment and Development), and Mick Foster (Centre for the Analysis of Public Expenditure/Overseas Development Institute).

<sup>2</sup> *Shaping the 21<sup>st</sup> Century: The Contribution of Development Co-operation*, May 1996, OECD

mechanisms to integrate a sustainable development focus into existing and developing strategic processes.

This paper discusses how the IDT to implement nssds can be achieved. It focuses on the new country-level strategic planning frameworks and considers the opportunities and challenges that they present for a convergence of action on sustainable development. This paper is intended to provide a basis for further discussion.

### **Defining sustainable development: eliminating poverty for current and future generations**

Sustainable development has been defined as “development that meets the needs of the present without compromising our ability to meet the needs of the future”.<sup>3</sup>

Sustainable development entails the integration and balancing of its three individual 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. Negotiation will be influenced by many factors and will often need further development in the current governance arrangements if a country's sustainable development goals are to meet and respect the particular needs and circumstances of individual countries, societies and cultures.

In particular, a sustainable development strategy is more likely to be feasible where opportunities exist for all stakeholders to participate meaningfully in the decisions that affect their lives and where support is available for such participation. Governments may need support and mutual encouragement and peer pressure to provide the political, institutional, legislative and economic framework for this to happen.

A process that puts in place the framework and activities to respond to these challenges is a strategy which will move us in the direction of sustainable development. The DAC defines it as “a strategic and participatory process of analysis, debate, capacity strengthening, planning and action towards sustainable development”.<sup>4</sup>

### **Why a strategic response is needed for sustainable development**

A quarter of the world's population live in absolute poverty on less than \$1 a day<sup>5</sup> and there is a growing awareness that the consequences of human behaviour are currently unsustainable. Natural resources which are vital for the livelihoods of the poor are under intense pressure. Global environmental resources (e.g. stable climate, bio-diversity) - whose loss affects us all, but especially the poor - are also changing at unprecedented rates.

These problems have to be faced in the context of rapid changes in the world: conflict and political change brought about by the end of the Cold War, globalisation as capital mobility and rapid technological growth make the world smaller, and growing populations and shifts from

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<sup>3</sup> In *Our Common Future (The Brundtland Report)* - Report of the 1987 World Commission on Environment and Development, 1987

<sup>4</sup> This definition was endorsed by the DAC High Level Meeting in May 1999

<sup>5</sup> This figure refers to 1990, when 1.3 billion people were living in absolute poverty. This was about a quarter of the world's population, or 30% of the people living in developing countries. The ‘poverty line’ of US\$1 per day is measured in terms of per capita consumption, calculated primarily from household surveys.

rural to urban areas. All these changes will have both positive and negative implications for sustainability. Many of these changes are outside the control of a single country and hence regional and international governance structures will be required.

Responding to the challenge of sustainable development in a rapidly changing world will require deep structural changes in politics, economics, society and resource management. To achieve such major changes requires countries to map out the steps they need to make to move towards sustainable development, and to engage in debate over the best approach and measure progress.

### **The principles of strategic planning for sustainable development**

There is a growing recognition that strategies which will achieve poverty reduction through sustainable development require commitment to a number of key principles<sup>6</sup>. These include:

- *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 groups and the poor. Furthermore, the ways in which policies impact on the poor and how they can be made more pro-poor and address inequalities needs to be much better understood.
- *High level political commitment and influential lead institution*: Preparation and implementation of an effective strategy requires strong leadership - the need for participation (ideas from 'below') does not dilute the requirement for leadership from above. By definition, strategic processes for sustainable development may require hard choices, especially in the face of the institutional inertia of government and resistance for change by established elites and structures. If difficult political choices must be made, or major resources are required, then commitment from the Head of State and senior ministers, as well as the more influential government departments such as the Finance Ministry, will be required. Linking donor resource flows to an assessment of Government commitment to sustainable poverty reduction may be helpful in reinforcing the incentives for Government to give the issue priority. But this can be at odds with some of the other criteria (for example, country ownership and participation).
- *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 local ownership* : 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.

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<sup>6</sup> The principles are similar to “characteristics” for nssds discussed at Regional Consultative meetings on Sustainable Development organised by the United Nations Division for Sustainable Development in Africa in September 1999 and in Latin America in January 2000.

- *Building on existing processes and strategies:* Any strategic planning needs to take account of what already exists in a country. Similarly, a strategy for sustainable development is not intended as a new planning process to be undertaken from the beginning. Most countries have a plethora of existing domestic planning processes in addition to the ones related to international conventions and multilateral requirements. An nssd seeks to build support for mechanisms that can strengthen synergy and coherence between them; address conflicts; and identify gaps and priorities for action.
- *Comprehensive and integrated:* Rarely have strategies been comprehensive. Integration of economic, social and environmental objectives is very difficult to achieve. If gains in poverty reduction are to be maintained, and poverty elimination achieved in the longer term, issues of environmental sustainability need to be an integral component of the decision-making and policy process. Better ways of working are needed to enable informed debate and communication amongst stakeholders, to allow the building of consensus on where this integration can take place, and to facilitate a balanced negotiation of the trade-offs when such integration is not possible.
- *Participatory:* Most strategies have been prepared with only limited participation. Clearly central government must be involved (all key ministries). But local authorities should also be included. Both the private sector and civil society groups need to be engaged (e.g. trade unions, NGOs) as well as marginalised groups (such as the poor, people in remote regions and certain ethnic groups). There are often constraints of time and resources, as well as fears over losing control of the process. There is also great diversity in the quality and meaning of participation. However, experience shows that broader participation can be helpful in opening up the debate to new ideas, exposing issues that need to be addressed, can help develop a consensus on the need for action and leads to better implementation. The diversity of views needs to be managed to ensure that vested interests and opposition for change does not lead to planning paralysis.
- *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.
- *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. Many strategy processes have tended to base their policy recommendations on an assessment of past and current trends and on current needs and deficiencies. Planning for the future, as well as the present, would begin to deal with issues of risk and uncertainty and allow space for contingency planning, particularly with issues such as the rise in urban populations or impacts of climate change.
- *Targets and priorities:* There is a need to set priorities which are 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 unrealisable wish lists, while budgets

not linked to plans perpetuate spending programmes long after their rationale has finished.

- *Capacity*: 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.

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 adhered to. The challenge may be one of strengthening incentives and securing a commitment for change, rather than a problem of lack of knowledge.

### **Country-level strategic planning frameworks: elements of a sustainable development strategy?**

#### **(a) Opportunities**

New country-level planning frameworks offer a significant opportunity to put these principles of sustainable development into practice<sup>7</sup>. The Comprehensive Development Framework (CDF) and Poverty Reduction Strategy Papers (PRSPs), and the National Visions developed by some countries encompass a number of these criteria and demonstrate a significant convergence of approach between the country-led frameworks and the criteria for sustainable development strategies.

The CDF 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 emphasizes 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, directing the development agenda, with bilateral and multilateral donors each defining their support for their respective plans.<sup>8</sup>

Equally, PRSPs incorporate a number of the above principles. The strategies "...should be country-driven, be developed transparently with broad participation of elected institutions, stakeholders including civil society, key donors and regional development banks, and have a clear link with the agreed international development goals - principles that are embedded in the CDF."<sup>9</sup>

#### **(b) Challenges**

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<sup>7</sup> The concept of country-level frameworks was set out in the OECD DAC Issues Paper, Implementing the Development Partnership Strategy prepared for the DAC High level meeting on 11-12 May 2000. The DAC paper raises a concern which this paper seeks to answer: "Is there sufficient clarity among all the actors on the relationships and interactions among the different country-level frameworks".

<sup>8</sup> See for example, [www.worldbank.org/cdf](http://www.worldbank.org/cdf)

<sup>9</sup> *Development Committee Communiqué*, September 27, 1999. At its September 1999 meeting, the Development Committee, a joint ministerial meeting of the Board of Governors of the World Bank and the International Monetary Fund, endorsed proposals that PRSPs should be prepared by national authorities.

PRSPs and CDFs will only be successful if they are 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 practice and is as relevant to donors and the way in which they work as it is to developing country partners.

In order to integrate sustainability into these frameworks, particular attention will need to be devoted to those principles where commitment in the past has been weak or non-existent. The challenges include:

1. *Ensuring frameworks address structural causes of poverty, including the environment*

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 environmental causes of poverty continue to be poorly understood and over-looked even though they are often fundamental. 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.

2. *Ensuring frameworks balance 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 the long-term and short-term goals and taking a comprehensive approach. This does not mean trying to address comprehensively all the issues, nor does it mean only concentrating on some at the expense of others. Rather we should seek to gradually improve the quality of adherence to all of them.

The CDF in particular 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 sustainability in the guidance for PRSPs is weak, reflecting a medium-term perspective. Yet the integration of environmental sustainability into PRSPs will assist in maintaining gains in poverty reduction by reducing the vulnerability of the poor and securing livelihoods. In the past, many strategies have failed to consider longer term environmental issues.

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. The Uganda Poverty Eradication Action Plan (their PRSP) has a relatively well-developed approach for monitoring with indicators and responsibilities defined, and civil society as well as government involved in the monitoring.

4. *Ensuring strategies are country-led*

There are clear, strong pressures and incentives for developing PRSPs and CDFs: they have strong external champions in the IMF and World Bank, and the explicit (PRSP) and implicit (CDF) links to important sources of external finance are likely to secure the interest and support of powerful 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.

### **National strategies for sustainable development: monitoring the international development target**

To judge whether the IDT of the implementation of nssds by 2005 is met will require international agreement on what constitutes an nssd. Unlike the other IDTs which can be measured quantitatively, this target will require a largely qualitative assessment. Given that an nssd should be a process that meets the principles set out above, there is a need to make a value judgement about their nature and quality. While most countries can demonstrate some sustainable development principles being adopted, few - if any - could claim that all of them have been achieved. If progress on the target is based on self-reporting, there will be a temptation by all countries to claim success. So there may be a need for a more independent process of assessment or peer review. Another useful approach to monitoring the target might involve assessing the extent to which countries have achieved the sustainable development principles.

At present, very little work has been done to address these important questions. Existing efforts to track strategic planning processes have tended to merely list the existence of documents such as National Environmental Action Plans and National Conservation Strategies, and this has only served to add to the confusion about what constitutes an nssd.

Clearly there is a need to agree a common set of sustainable development principles, which should be developed internationally through a consultative process, and to which all countries should be encouraged to adhere. This would not only help in monitoring the target, but would help countries themselves to give greater weight to sustainability issues within their own strategies and plans. It would also influence donors to give more importance to sustainability concerns in their own policy dialogues and in further development of planning frameworks.

Two bodies are beginning to address these challenges. The OECD Development Assistance Committee, which endorsed all the IDTs, met in Paris in March 2000 to consider indicators to measure the targets. It was agreed that the sustainable development target should be changed from "existence of an nssd" to "existence of effective processes for sustainable development." This will hopefully move the focus away from a single document, to a more process-orientated approach which can be achieved by integrating sustainability principles into existing strategic planning processes. The Working Party on Development Co-operation and Environment of the Development Assistance Committee has also mandated a Task Force on nssds to develop guidance for donors on best practice in developing and implementing nssds and on how donors can best assist partner developing countries with nssds. While the guidance is focused on donors, the Task Force is working with developing countries to learn lessons about their interpretation of strategic processes for sustainable development.

The UN Division for Sustainable Development has organised a series of regional consultations on sustainable development which have addressed the key characteristics of nssds. These include many of the principles set out earlier in this paper. Some practical examples of these approaches are also found in the work of Capacity 21 (a Trust Fund administered by UNDP) which increasingly is focusing on disseminating lessons of sustainable development through publications and regional seminars.

In addition to the work of the UN and OECD, this paper has argued that many of the principles of

sustainable development are set out in the stated aims of the World Bank's CDF and PRSPs. The Bank intends to undertake an independent evaluation of the PRS process. This will provide a useful guide to the extent that the PRS has lived up to its stated principles, and so could be used for monitoring the nssd IDT.

There is a need to build on all these processes and particularly to ensure that the views of developing countries are properly represented in order to develop an effective and useful monitoring mechanism for the existence of strategic processes for sustainable development. Criteria of what constitutes "effective processes for sustainable development" (such as those suggested in this paper) need to be debated and agreed internationally. The Rio +10 Summit, to be held in 2002, and the preparatory fora which precede it, provide opportunities to take this debate forward. This debate should occur in conjunction with the agreement of a process for verification of all the IDTs.

### **Conclusion**

Country-level strategic planning frameworks offer a valuable opportunity to move towards the achievement of the IDTs as a whole and of the target for the implementation of nssds in particular. For this opportunity to be realised, there needs to be debate and agreement on what constitutes the principles of strategies for sustainable development. Country-level frameworks will need to be strengthened to address these principles. Donors and developing countries will need to commit themselves to the country-level frameworks and to the principles behind them. Agreement on sustainable development principles is also needed to monitor the IDT.

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