HOW ARE WE SUPPORTING LATIN AMERICA IN THE ALLEVIATION OF POVERTY? 
THE SDC’S MEDIUM-TERM STRATEGY AT A GLANCE

We consider the following factors to be crucial in ensuring successful support:

Enhanced involvement of civil society
Overcoming poverty and fostering equal opportunity
Empowerment
Creating partnerships
Focusing on thematic axes
Pooling resources to enhance effectiveness
Ensuring quality by an ongoing evaluation of our activities

In its Medium-term Strategy, the Swiss Agency for Development and Cooperation (SDC) defines the “what” and the “how” of its support in Latin America.

Over the past years, both the social and the political situation in Latin America have undergone profound changes. The SDC focuses its efforts on the major challenges facing the continent’s poorest countries in order to assist them in overcoming their situation of chronic poverty.

This brochure presents a rough outline of the strategic orientation of Swiss cooperation in the medium-term. Switzerland’s course of action clearly underscores its engagement and commitment to make a contribution to the alleviation of poverty and to the empowerment of disadvantaged population groups. In implementing its strategy, paramount importance is placed on cooperation partnerships with actors from civil society, the public administration, and the private sector.
Our cooperation in Latin America unceasingly tends to raise a number of fundamental questions:
Where can the SDC as a public institution of development cooperation best target its activities?
Taking into account its specific competencies and institutional capacities, how can the SDC ensure the best possible effectiveness of its contribution?

The replies to these questions can be found in the brochure entitled „Switzerland’s Development Cooperation with Latin America: The SDC’s Medium-term Strategy 2002-2010”. The unabridged version is available at the internet site: www.cosude.ch/documentos.

This new strategy is the product of a cooperational effort on the part of various staff members of the SDC’s Latin America Division, personnel from the five Latin American Cooperation Offices, along with certain representatives of the major partner organizations, and is systematically focused on poverty reduction and the empowerment of the most disadvantaged population groups. After a five-year lapse of time, the Latin America Division plans to assess the experience gathered and, if need be, review and modify its strategy accordingly.

Enhanced involvement of civil society

The hopes that the inhabitants of Latin America had been nourishing for an economic upturn on their continent have not materialized. Notwithstanding the macroeconomic reforms which have taken place, the continent is suffering the blows of recurrent financial crises, economic growth remains feeble, and poverty is the lot of an ever-increasing number of individuals. Despite the fact that the majority of governments were elected on a democratic basis, confidence in the political system is being sapped by rampant corruption and the growing gap between the rich and the poor.

Yet there are some signs of hope as attested to by the more significant role that civil society is now playing in the resolution of social problems. Processes such as the „Forum for the Future” and the „National Dialogue” are attempting to fill in for the absence of popular participation at the institutional level. In some countries, decentralization has paved the way for providing the local population with the possibility of actively participating in public life. Local bodies are combining their efforts with those of international organizations so as to encourage further steps leading to an enhanced role for civil society.

The SDC has joined in with the efforts being coordinated within the international community to do its share to reduce poverty and promote sustainable development in Latin America. The Medium-term Strategy 2002-2010 serves as a reference framework for the SDC’s Latin America Division, while concomitantly extending an invitation to other actors in the field of development cooperation to realize synergies.
Fighting poverty and fostering equal opportunity

For the most part, the countries of Latin America do not number among the poorest nations on earth. Just the same, the number of persons in Latin America who are living in abject poverty has continued to rise during the past years, and the disparity in the distribution of wealth and income within the countries has not ceased to become more pronounced. Just beyond the sophisticated town centers, large segments of the city population are living a marginal existence. People living in far removed rural areas are scarcely able to satisfy their basic needs. There is no further need for proof that the major development challenge the continent is facing is that of overcoming poverty. And this is possible only if progress is also made in reducing relative poverty, i.e., the unequal distribution of goods and resources.

Latin America’s poor are often obliged to demonstrate a surprising degree of creativity in finding solutions to their problems. They are not devoid of dreams and ideas for the future. Yet at the same time, the poor can hope to improve their situation only if they are provided with the possibility of utilizing their own capacities and developing themselves on the economic plane. Far too often, the framework conditions in place are more of an obstacle than a facilitator to economic progress. Hence the need of the poor to have instruments and mechanisms at their disposal in order to defend their interests and lay claim to their rights.

Poor people are particularly exposed to the consequences of natural disasters. They are prime prey to economic and social risks. The improvement of social security, the prevention of natural disasters and conflicts, as well as the strengthening of solidary self-help are but further steps to be taken in paving the way out of the poverty trap.

Our contribution to poverty reduction depends on:

- our choice of targeted population groups: the development potential depends on their objectives, their own initiatives, and their capacity to organize, and
- our making use of the possibilities at hand to change framework conditions to the benefit of the poor.

Empowerment is of paramount significance

Given the absence of the political will to share power, along with the limited capacity of poor population groups to actively participate in decision-making processes, the pursuit of „empowerment” plays an extremely crucial role. Our philosophy is that poverty can be sustainably overcome only when those concerned have at their disposal better possibilities to shape their own development. This presupposes that the poor be able to exert an influence on the economic, political, and social conditions so that these become more favorable for them.

The objective of the empowerment strategy is to enhance the equality of opportunities and rights, and to create access to knowledge, resources, social services and participation in decision-making processes. The poor are to be empowered to assert their right to the new opportunities, e.g., decentralization, reform of the justice system, the expanding offer of services, and to make better use of them.

For this reason, the Latin America Division strives to choose its partner organizations according to their ability to empower the poor and disadvantaged population segments to bring about changes in their situation and to create for themselves the basic conditions and the instruments needed to do so. The idea is that development processes are to originate from those concerned and be shaped and designed by them accordingly.
Partnership is a decisive factor for success

In Latin America, it often happens that the population undertakes to organize itself in order to attempt to improve its situation on its own. In addition, there are a good number of competent organizations and institutions which are in a position to support the development initiatives launched by such groups of marginalized population.

Given these circumstances, the Latin America Division is fortunate to be able to select capable partner organizations and concentrate its efforts on playing a subsidiary role. The partners chosen must absolutely be capable of effectively supporting the population in its efforts to design and implement projects; they must, in short, be capable of empowering the population. These partnerships can take on new forms, such as service contracts negotiated by the population with service providers, or task-sharing arrangements between public authorities and the private sector (so-called Public-Private Partnerships), etc.

In the future, even more accent is to be place on institutional strengthening and on the organizational development of the partner organizations and organized population groupings.

The new forms which international cooperation has assumed, for instance sector strategies or the coordination of local, sector, or national programs, call for all of the participants to redefine their roles accordingly. The tendency is for the balance to shift its weight from our own programs and projects over to forms of intervention coordinated by the various donors and national actors.

With respect to our own remaining projects and programs, our intention as a rule is to delegate out the responsibility for their implementation. In so doing, we shall accord preference to organizations and institutions in our partner countries so that they simultaneously benefit from an added value in terms of solid experience and institutional knowledge.

Focus on thematic axes

In order to use the limited resources available to obtain the best results possible, a concentration on a few countries and on certain selected domains of operation has proven to be a basic requirement.

The SDC’s approach to the multi-faced problem of poverty is centered on the following four thematic axes:

- Fostering of employment and income: the strengthening of micro and small-sized enterprises including farms, makes an effective contribution to the creation of jobs and to the increase in earnings.
- Enhancing social justice: social policies which are developed on a participative basis and are implemented by means of innovative mechanisms, contribute to the enhancement of social justice.
- Good governance: competent, transparent, and efficient state institutions are, along with a well organized civil society, a requirement for reducing poverty.
- Sustainable use of natural resources: sustainable management of natural resources also implies their longer-term availability to the poor as the foundation for life and for earning a living.
Thematic priorities and strategic principles in the fight against poverty

The SDC’s principles and values take on a very particular significance with respect to the reduction of poverty in Latin America. The unequal distribution of wealth and income, together with the insufficient participation of the poor in decision-making and development-relevant processes, have prompted us to launch a multidimensional strategy for poverty reduction.

Empowerment is a key element of our medium-term strategy. The four thematic axes mentioned above serve as the basis for establishing our priorities. In addition, eight strategic principles have been defined to ensure that the Strategy is implemented with our partners in a coherent manner.

Pooling resources to enhance effectiveness

The SDC conducts development cooperation programs in the priority countries of Bolivia, Peru, and Ecuador in Latin America and the countries of Nicaragua, Honduras, and El Salvador in the priority region of Central America. These programs together with the SDC program-crosscutting activities account for over 90% of the development funds budgeted for Latin America. In addition, there are small-scale pilot projects or special programs in Cuba and in Haiti, the hemisphere’s most impoverished country.

In 2003, the total amount of bilateral development assistance delivered to Latin America came to CHF 54.4 Mln. Additionally, the Cooperation Offices implement programs of SDC’s department Humanitarian Aid, the Global Environment Program (SDC Natural Resources and Environment Division) and the State Secretariat for Economic Affairs – seco.

The Latin America Division’s team both at Headquarters and in the five Cooperation Offices located in Latin America works hand in hand with its partner organizations in implementing the Medium-term Strategy. The division of labor is based upon the principles set down in „Coof 2000“, i.e., responsibilities and decision-making competencies are confided to those on the level closest possible to the unfolding implementation processes so as to assure that activities can be steered in an optimum manner, with flexibility and a timely adaptation to changing circumstances.

The team’s success in implementing the Medium-term Strategy is based on factors such as interdisciplinary cooperation, a balanced composition of members in terms of gender and age, the capacity of achieving mutual enrichment and being mutually complementary in an intercultural context, the fostering of confidence based on transparency, and a sense of responsibility coupled with that of accountability. The Division’s ongoing learning process (experience-sharing, lessons learned, best practices) represents a major institutional capital.
Ensuring quality by evaluating our activities

Measures to ensure quality control are an integral element of our activities and are institutionalized both at the level of the SDC Cooperation Offices and at the project level as well. One of these measures is a monitoring of the Medium-term Strategy, making it possible to learn lessons from implementation and to fine-tune the strategic orientation accordingly.

Monitoring conducted on the country program level provides additional information on the results and the impact of SDC activities.

Within the scope of project review, issues concerning the central themes of SDC strategy such as sustainability, effectiveness in reducing poverty, empowerment, and gender, are systematically examined.

The full and unabridged version of „Switzerland’s Development Cooperation with Latin America: The SDC’s Medium-term Strategy 2002-2010“ can be downloaded from the internet site: www.cosude.ch/documentos.

The PDF document „How are we Supporting Latin America in the Alleviation of Poverty? The SDC’s Medium-term Strategy at a glance“ constitutes a translated version of the brochure „¿Como apoyamos a América Latina para reducir la pobreza? La Estrategia de COSUDE a mediano plazo - un resumen“. This reduced and simplified text version completes the printed original of the brochure. The PDF format allows easy access and distributions of versions in different languages at no additional printing and mailing costs and permits easy reading on the screen and printing.

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