

Alliances Against Poverty

DFID's Experience in Peru 2000 - 2005



DFID Department for
International
Development

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Alliances Against Poverty: DFID's Experience in Peru 2000 - 2005

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Department for International Development

DFID is the UK Department for International Development: leading the British government's commitment to fighting world poverty.

In an increasingly interconnected world, many problems — like conflict, crime, pollution and diseases such as HIV and AIDS — are caused or made worse by poverty. One in five people in the world, over one billion people, live in poverty on less than one dollar a day. DFID supports long-term programmes to eliminate the underlying causes of poverty in areas like health, education, and the environment. It also responds to emergencies, both natural and man-made.

DFID's work forms part of a global promise to meet the United Nations' eight Millennium Development Goals: worldwide targets — with a 2015 deadline — which aim to:

- halve the number of people living in extreme poverty and hunger
- ensure that all children receive primary education
- promote sexual equality and give women a stronger voice
- reduce child death rates
- improve the health of mothers
- combat HIV and AIDS, malaria and other diseases
- make sure the environment is protected
- build a global partnership for those working in development.

Each of these goals has its own, measurable, targets.

DFID works in partnership with governments committed to the Millennium Development Goals, with civil society, with the private sector and with the research community. It also works with multilateral institutions, including the World Bank, United Nations agencies, and the European Commission.

DFID works in 150 countries worldwide, with an annual budget of some £4 billion. Its headquarters are in London and East Kilbride, near Glasgow.

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FOREWORD

GARETH THOMAS

The United Kingdom's Department for International Development has been strengthened enormously over the last seven years, and we have a growing budget to support development and tackle poverty across the world. But with the extra resources have also come tough choices about how to get the most out of our support, faced with new demands. It was a difficult decision but at the end of 2003, we decided that we had to scale back our bilateral programmes in some middle-income countries, in order both to fulfil our commitments to the poorest countries of the world and to deal with new issues related to security.

This decision meant closing our individual bilateral country programmes in middle-income countries in Latin America, including Peru. At the same time, however, we also re-affirmed our commitment in the region to working more closely with international institutions such as the Inter-American Development Bank (IDB) and World Bank, we made more resources available for civil society work and we began to implement a new cross-regional programme — all of which Peru will benefit from.

I visited Peru in 2004, to represent the UK at the Inter-American Development Bank annual meetings, where I saw some of the luxury Lima has to offer. But I also went to Ciudadela Pachacutec, one of the city's vast shantytowns, and to Luyanta, a small village in Ayacucho, one of Peru's poorest Departments, where life is harsh indeed.

Even the most casual visitor to Peru cannot but notice these big differences between rich and poor and the challenge that the country faces to build a more inclusive and fairer society. At the same time, I was bowled over by the energy and resilience of the

people I met — the parents in Pachacutec who clubbed together to build the school and pay for almost everything apart from a teacher from the Ministry — and the *campesinos* in Luyanta re-building their lives after Peru's terrible years of political violence.

I was impressed by our strategy of engagement with Peru and the activities that we were supporting, helping to put these people more onto the country's political, social and economic map — the way in which DFID had focused on helping these poor, marginalized, socially excluded women and men become more recognised and respected as full Peruvian citizens, with rights and responsibilities — and the way that we were working with political institutions to support this.

I encouraged the DFID team in Peru to make sure that these experiences were captured and shared more widely, and I am pleased that these have now been brought together in this book. There are many thought-provoking issues and lessons here for DFID and the international community, in Peru and beyond. Particularly valuable, I think, are the lessons for donors on:

- Addressing poor people as citizens, with rights and responsibilities, as a key means of tackling inequality and exclusion.
- Working systemically with both the state and wider society, to achieve more inclusive development.
- Investing in alliances between those individuals and institutions that are committed to pro-poor reform.
- Acting openly, transparently and accountably, in tackling this more political agenda.

I hope that these lessons will be taken forward in Peru and elsewhere. I am pleased that through our continued contributions to international organisations such as the European Commission, the IDB and the World Bank, our regional programme and our support for civil society, we will be able to sustain many of these investments in Peru.



GARETH THOMAS
Permanent Under Secretary of State
UK Department for International Development

FOREWORD

OSCAR SCHIAPPA-PIETRA

Immense gratitude and sadness are the two feelings that arise following the news of DFID's premature departure from Peru and other Latin American middle-income countries.

DFID has done an outstanding job promoting development, equity, social capital and governance in Peru. Its focus on rights-based approaches and active citizenship has transformed the socio-political landscape of many among the poorest and most marginalized. DFID has also exerted great leadership within the development community, daring to navigate though uncharted waters and frequently challenging the experts' *common sense*.

DFID's departure challenges us — Peruvian citizens and public officers — to keep alive the flame of development knowledge-creation and innovation, and to assure the sustainability of DFID's investments and experiences in our country. Indeed, we accept this daunting challenge humbly but with the certainty that the path opened by DFID will lead us to a land of real citizenship and prosperity.

A word on the middle-income country (MIC) classification is warranted. This is a label that greatly over-simplifies the complex socio-economic and political realities of countries like Peru. As Garrett persuasively argues, middle-income countries are often getting the worst out of globalization, because they are being left aside from much

¹GARRETT, Geoffrey. Globalization's Missing Middle. *Foreign Affairs*, Nov. / Dec. 2004.

needed ODA resources while still unable to compete in either the knowledge or the low-wage economy¹. Also, the shift in classification from poor country to middle-income country misses an understanding of the transitional stage of internal adjustments such as those aimed at generating a more equitable allocation of resources and wealth. Not surprisingly, the Human Development Index in many of the poorest locations within Peru is comparable to some of the bottom-tier countries of Africa or Asia. Moreover, the MIC label does not account for the immense burden borne by Peru in coping with Global Public Goods (i.e., protection of the Amazonian rainforests) and Bads (i.e., drug-trafficking), which drain Peru's scant budgetary and ODA resources.

We are pleased that DFID will maintain some resources committed to the region and to Peru, but we deem it justified to advocate for the prompt return of DFID's bilateral country programme with Peru.

A handwritten signature in black ink, appearing to read 'OSCAR SCHIAPPA-PIETRA', written over a horizontal line.

OSCAR SCHIAPPA-PIETRA
Executive Director
Peruvian Agency for International Development Aid Cooperation

ACRONYMS

AECI	Spanish International Development Cooperation Agency
APCI	Peru International Cooperation Agency
CAN	The Andean Community
CAF	Andean Development Corporation
CBO	Community-based Organization
CCL / R	Local / Regional Coordination Councils
CEDAP	Centre for Agricultural & Livestock Development
CIES	Social and Economics Research Consortium
CLAS	Local Health Management Centre
DEMUS	Centre for the Protection of Women's Rights
DFID	Department for International Development
DID	DFID Programme for Rights, Inclusion and Development
DNI	National Identity Document of Peru
FONCODES	National Fund for Compensation & Social Development of Peru
IDB	Inter-American Development Bank
IDEA	International Institute for Democracy and Electoral Assistance
LIC	Low-income country
MDG	Millenium Development Goal
MEF	Ministry of Economy & Finance of Peru
MIC	Middle-income country
MIMDES	Ministry of Women and Social Development of Peru
MLAL	Secular Movement for Latin America
NDI	National Democratic Institute
NGO	Non-governmental organisation
OAS	Organisation of American States
ODA	Overseas Development Administration (UK)
ONPE	Oficina Nacional de Procesos Electorales
PAPE	Programme in Support of Electoral Processes
PPA	Participatory Poverty Assessment
PRAMS	Participatory Rights Assessment Methodology
PRONAA	National Food Aid Programme of Peru
PRSP	Poverty Reduction Strategy Paper
RENIEC	National Registry for Identification & Civil Status of Peru
SECTI	Technical Secretariat of International Cooperation of Peru
SIDA	Swedish International Development Cooperation Agency
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development

CONTRIBUTORS

This book offers a reflection on some of DFID's recent experiences in Peru. Rather than provide a unique view, the book has sought different perspectives from a variety of observational positions. As such, it reflects the philosophy of the DFID team in Peru over the last few years. Team members have recognised that an effective response to supporting Peruvians in constructing a more open and just society required multiple perspectives and the creation of spaces for sharing these. As the office is to close in March 2005, the book represents the last such forum supported by DFID.

The book is the result of the combined inputs of many people and organisations: of the principle authors, who were invited in to reflect on DFID's experience; of the DFID team that has led the Peru cooperation programme, which supported and contributed to this process of reflection; of the partners of DFID who have contributed with their voices in the many boxes in this book; and of the large array of partners with whom DFID has worked over the last few years, to make all this possible.

A. PRINCIPAL AUTHORS

Rosalind Eyben authored chapter one. She is a development specialist based at the Institute of Development Studies. She previously worked for many years for DFID, including as the head of the Bolivia office, 200 - 2001, during which time she contributed to the thinking of the Peru office.

John Crabtree, authored chapter two. He is a political scientist and a consultant, writer and teacher on the history, politics and political systems of Peru and the Andean region.

Fiona Wilson authored chapter three. She is a social geographer and Professor at the University of Roskilde in Denmark. She has a particular interest in development, citizenship and the social and political history of the Peruvian Central Andes.

Franciso Sagasti co-authored chapter four. He is President of Agenda Peru: Foro Nacional/Internacional, is a former Senior Adviser in the World Bank in Washington and an international development consultant.

Mark Lewis co-authored chapter four. He is Head of the DFID Peru Office (2000-2005) and previously worked with DFID as an Economist in London on Africa and policy issues and in Bangkok on South and East Asia.

Corinna Csáky edited and produced this book. She is a Social Development Advisor for DFID and has a particular interest in communications for development and rights-based approaches. She has several years of experience of consulting for bilateral agencies, NGOs, public media and private sector organisations.

B. DFID TEAM

Carlos Santiso particularly contributed to chapter two. He joined DFID as a Governance Adviser in September 2002. He is a political economist, specialising in political democratisation, economic governance and public finances. He has previously worked or consulted for national governments, inter-governmental organisations and policy think tanks.

Marfil Francke particularly contributed to chapter three. She joined DFID as a Social Development Adviser in Peru in 2001, to support the realisation of rights of the poorest and most excluded people in Peru. She is a sociologist with a wide experience in development projects and gender policies.

Víctor Zamora particularly contributed to chapter three. He was previously DFID's Social Sector Adviser in Peru and now works now as Auxiliary Representative of UNFPA. He is qualified in medicine and health management and has extensive experience of working in health policy and programming, especially for the poor.

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Milagros Brescia provided administrative support for this book. She is a Programme Officer, responsible for providing support to the Programme Advisory Team, organising events and maintaining computer systems.

Jocelyn Sablich, provided financial administrative support for this book. She is DFID's Accounts Officer and is responsible for accounts management.

C. DFID PARTNERS IN PERU

This book was also made possible by DFID's partners in Peru without whose innovative work none of the experiences examined in this book would have been made possible.

Acción Popular; Adeas Qullana; Alternativa Centro de Investigación Social y Educación Popular; APRA; Asociación Acción Internacional para la Salud; Asociación Arariwa; Asociación Civil Educación en Derechos Humanos (EDHUCAS); Asociación de Productores Lácteos de la Provincia de Melgar, Puno (APRODEL); Asociación de Servicios Educativos Rurales (SER); Asociación Interétnica de Desarrollo de la Selva Peruana; Asociación MINGA Perú; Asociación Nacional de Centros; Asociación Pro Derechos Humanos (APRODEH); Asociación TV Cultura; Belgian Technical Cooperation; Calandria; Canadian International Development Agency (CIDA); CARE; Caritas Chosica; Centro de Desarrollo Agropecuario (CEDAP); Centro de Desarrollo Andino Sisay; Centro de Estudios Regionales Andinos Bartolomé de las Casas (CBC); Centro de Estudios y Promoción Comunal del Oriente; Centro de Estudios y Promoción del Desarrollo (DESCO); Centro de Investigación de la Universidad del Pacífico (CIUP); Centro de la Mujer Peruana Flora Tristán; Centro Internacional de Cooperación para el Desarrollo Agrícola; Centro Peruano de Estudios Sociales (CEPES); Ciudadanos al Día (CAD); Comisión de la Verdad y Reconciliación; Comisión Episcopal de Acción Social (CEAS); Comisión Indígena Nacional de la Amazonía; Comité Latinoamericano y del Caribe para la Defensa de los Derechos de la Mujer; Comité Local de Administración Compartida (CLAS) Lima; Comunidad Andina; Concejo Distrital Menor de Allhuacchuyo del Distrito de Santo Tomás – Chumbivilcas; Confederación Campesina del Perú; Congreso Nacional de los Pueblos Indígenas del Perú; Congress of the Republic of Peru; Consejería en Proyectos (PCS); Consejo Nacional de Educación; Consorcio de

Investigación Económica y Social; Consorcio de Vicarias del Sur; Coordinadora Intercentros de Investigación, Desarrollo y Educación (COINCIDE); Coordinadora Nacional de Derechos Humanos; Coordinadora Nacional de Independientes; Coordinadora Nacional de Radio (CNR); Electoral Commission (ONPE); Estudio para la Defensa de los Derechos de la Mujer (DEMUS); European Commission; ForoSalud; Fundación San Marcos para el Desarrollo de la Ciencia y la Cultura (UNMSM); Futuras Generaciones; German Development Cooperation (GTZ); German Finance Cooperation (KfW); Grupo Cultural Yuyachkani; Institute of Development Studies (IDS); Instituto de Defensa Legal; Instituto de Diálogo y Propuestas (IDS); Instituto de Educación y Salud (IES); Instituto de Estudios Peruanos; Instituto de Formación de Facilitadores para el Desarrollo Local (TARIPAQ); Instituto de Investigación y Promoción para el Desarrollo y Paz (IPAZ); Inter-American Development Bank (IADB); Intermediate Technology Development Group (ITDG); International IDEA; Liga Agraria Provincial de Chumbivilcas; Mesa de Concertación de Lucha Contra la Pobreza; Mesa de Concertación Temática de Educación del Distrito de Haquira; Miluska Vida y Dignidad; Ministry of Economy & Finance (MEF); Ministry of Education (MINEDU); Ministry of Foreign Affairs (MRREE); Ministry of Health (MINSa); Ministry of Women & Social Development (MIMDES); Movimiento Adelante; Movimiento de Manuela Ramos; Movimiento Humanista; National Democratic Institute (NDI); National Fund for Compensation & Development (FONCODES); Organisation of American States (OAS); Oxfam; Parroquia Santiago Apóstol de Urcos, Quispicanchi; Partido Democrático Descentralista; Partido por la Democracia Social; Pathfinder; Perú Posible; Peruvian International Cooperation Agency (APCI); Pontificia Universidad Católica del Perú (PUCP); Prime Minister's Office (PCM); Proética; Promujer; Propuesta Ciudadana; Red Científica Peruana (RCP); Red de Municipalidades Rurales del Perú (REMURPE); Red Nacional de Educación, Salud Sexual; Restauración Nacional; Río Abierto; Save the Children UK; Spanish International Cooperation Agency (AECI); State Ombudsman; Swiss Cooperation for Development (COSUDE); Transparencia; Unidad Nacional; Unión por el Perú; United Nations Children's Fund (UNICEF); United Nations Development Programme (UNDP); United Nations Office Against Drugs & Crime (ONUDD); United Nations Population Fund (UNFPA); United States Agency for International Development (USAID); Universidad Peruana Cayetano Heredia; World Bank.

Overview

CONTENTS AND KEY LESSONS

ROSALIND EYBEN & CORINNA CSÁKY



From a collection of paintings by rural communities, San Marcos Cultural Centre, Lima.

1. Introduction

Innovation often starts at an organisation's periphery. Staff at the margins may take advantage of senior management's focus on more mainstream or important operations. "Out of sight, out of mind" can mean a chance of responding more freely to local and changing contextual realities, something less likely for those more subject to regular scrutiny by the higher echelons of authority. "Peripheral" staff can trade the possibility of rapid promotion for autonomous reflection on their direct experience. They can re-frame the problem and chart a new course of action. This liberty can deliver new approaches and ways of working that may help the wider organisation, provided that it becomes aware of and values the innovation. This book aims to heighten that awareness.

The book is not an exhaustive review of DFID's recent work in Peru. There are a number of projects very valuable in their own right that it has not been possible to cover, in smallholder production, in education and in fiscal accountability for example. Rather the reviewers were asked to look at a selection of the more experimental parts of the programme, where there has been and will be greatest scope for mutual learning between actors in country and those in the wider world.

The book's central over-arching theme is how DFID found new ways to apply rights-based approaches to country programming through the concept of active citizenship. It did this within an evolving strategy of supporting both state

and society actors separately as well as facilitating their working together on shared agendas. This book highlights the lessons and tensions arising from this strategy. DFID's experience has brought to the fore the political dynamic of a rights-based approach and, in doing so, raises important questions around the legitimacy, potential and accountability of donor engagement. What role can and should foreign aid play in supporting the efforts by the Peruvian State and society to make a better country for all its citizens? How should Peruvians engage with foreign aid and how can they make best use of it? Other books have been published on this subject. This is the first to tell the story from the perspective of a foreign government's aid agency.

DFID's programme in Peru was ended prematurely. Nevertheless, the research conducted for this book indicates the potential of an approach developed by a small aid agency team in Peru. We believe it has a wide applicability, not only within the parent organisation, in this case DFID, but also with other aid organisations that are committed to the Millennium Development Goals of poverty reduction and improved social welfare. The book has a complementary and equally important purpose. It is to engage a Peruvian readership in a story that involves many of them — a story about their struggles to realise democracy, social justice and human rights for all, especially for those from the Andean highlands and Amazonian forests who have historically been denied such rights.

Experimentation at the margins is always subject to risks. Disseminate news of your activities too widely too soon and head office caution might shut down the initiative before it yields results. Disseminate too late and senior management might not be aware of the value of your work when factoring into its plans a decision as to whether to keep or close this particular part of periphery. Among the organisation's core values, however, are the "desire to listen, learn and be creative" and "professionalism and knowledge". It is in support of these values that DFID decided to commission this book. We hope our readers will agree with us that many of the lessons from this book are as important for the practice of aid in Africa or Asia as they are in Latin America.

2. Book Overview

Chapter one sets the scene for how DFID in Peru has participated in, contributed to and also benefited from a gradual learning in the international community about aid effectiveness. It considers the serendipitous or unpredictable combination of circumstances that allowed this to happen: the end of an authoritarian regime in Peru coinciding with a radical change in direction in British aid and the wider international community to a focus on poverty and inequality issues, opportunities seized by an energetic and highly skilled team equipped to implement policy directives in a new and relevant way. That team's deepening understanding of the nature of power and poverty in Peru shaped its focus and priorities. Concepts and action were married through a strategy of alliances for social change. This meant testing hypotheses, taking risks and generating lessons for all parties involved, not only in Peru but also for DFID and the wider international aid community more generally.

The next two chapters explore some of the projects and programmes in which this mutual learning took place. John Crabtree looks at DFID support to formal democratic institutions becoming more inclusive and poverty-focused. He highlights how new experiences and alliances led to increasingly refined and effective programming at the local level on electoral education and oversight, participation and accountability. He then moves to DFID's experience with supporting change to national institutions, including an initiative over the right to identity. Described by a DFID partner as a "neuralgic issue", Crabtree comments

that “the ability to identify the “neuralgic” situations and to intervene accurately in them (a kind of institutional acupuncture) is an important goal in any strategy of change”. Finally, Crabtree turns to DFID’s work with political parties. He notes their importance for deepening democracy, changing relations of power and tackling poverty but it is too early to decide whether they *will* play a significant role in achieving these inter-linked goals.

Alliances, as expressed and organised through networks, is the key theme of Fiona Wilson’s chapter. She pursues the theme of inter-locking levels of DFID’s engagement and its support to building robust coalitions of interest, arguing that while this is still exceptional in donor practice, it is the right response to the way social change is happening in Peru. She examines two key arenas of engagement. The first is at the national level in relation to a rights-based approach to health sector reform. The second relates to civil society support to strengthening participatory democracy at the local level, thus complementing Crabtree’s analysis of DFID’s involvement in representative democracy.

Finally, in the last chapter, Mark Lewis reflects with Francisco Sagasti on DFID’s experience in Peru over the last five years. They look at the significance of the middle-income country context for its work and the implications for relatively small resources in making a strategic difference. Bearing in mind the office’s premature closure, they consider the results achieved so far and how to assess these. The chapter concludes by considering the lessons learnt for a donor in engaging in these very political processes.

3. Key Lessons

Each author highlights a number of key lessons generated by DFID's recent experience in Peru:

3.1 DFID in Peru: a learning curve

Rosalind Eyben emphasises how DFID's evolving interpretation and response to the changing political and institutional context in Peru was shaped by the dynamic interaction of a number of factors:

- The deepening knowledge of DFID staff about Peru that shaped its thinking about its role — knowledge gained both by learning from active engagement as actors in Peruvian political processes and by reading about as well as specifically commissioning analytical studies of Peru;
- The choice of personnel and the ideas they brought to the work of the office with its mix of senior Peruvian and international specialists working together on a common agenda;
- The investment of staff time in wider conceptual debate and reflection about social and political change and the role of donors in this process;
- The organisational and personal relationships created in connection with the activities DFID was funding that in turn influenced the perspectives of the DFID staff;

- The wider shifts in thinking in DFID about the role of aid in general and in Middle-Income Countries in particular — while noting that DFID Peru itself contributed very energetically to informing this wider strategic thinking that it then drew on for its own country work.

In short, DFID in Peru developed a way of working that through reflective learning iteratively linked *theory* (rights and citizenship) with *strategy* (strengthening state-society relations) with *means* (supporting the development of alliances for change within and beyond Peru).

3.2 Supporting institutions for political inclusion

John Crabtree draws the following lessons about DFID's experiences in supporting institutions to become more politically inclusive and committed to tackling poverty.

At the local level

- Reform is not unilinear, nor irreversible. Greater participation at the local level depends greatly on the individuals involved. Where there is little or no institutionality, personal contacts are key. This is a weakness.
- It is possible to set in motion a virtuous circle of reform, but this requires shifting the relations of power at the local level. Such changes in power relations are inherently difficult to achieve.
- Change at the local level is facilitated by change at the national level. A programme of reform therefore has to tackle both ends of the state-society spectrum.
- Reform has to engage not just local elites, but grass-roots communities. It is only by creating democratic spaces at the local level that new local leaders can emerge.
- Working with NGOs and civil society organisations at the local level provides an access to the grass roots. However, there is also a problem of capture by specific local interests at the expense of others.

At the national level

- There are moments of opportunity, and these are not always obvious. It requires skill and dexterity to make the most of these sometimes fleeting experiences.
- It is possible to create a more conducive situation for responding to poverty through changes to the legal framework, but changes in political culture can take much longer to achieve.
- Improving the incentives for political parties is complementary with engaging parties on a multi-party basis on reform, so long as this is done in a transparent and even-handed manner.
- Work with the media, publicising examples of good practice, is critically important to changing perceptions of what it is possible to achieve.
- Critical evaluation (lessons learned) is an absolute necessity before moving from one programme to another.
- It is important to prioritise those activities that have multiple spin-offs.
- Political parties can be engaged in pro-poor strategies, but there is a long road ahead in Peru before they assume this fully.
- Parties will become more responsive to pressures from the poor at the local level if they manage to become more internally democratic and less beholden to certain privileged interest groups.

3.3 Supporting networks for realising rights

In her analysis of alliances and networks brokered by DFID to support rights, citizenship and participation, Fiona Wilson highlights the following key lessons:

Working with state and society

- While networks are indispensable for instigating a rights-based approach and influencing in many arenas, for DFID the political stakes were raised and risks became greater. When openings existed there were great advantages, when not DFID had much to lose.

- Where little or no political will exists on the part of the state, then a mediating donor gets frozen out. Similarly, when civil society organizations are dependent on the state (or international community), this also puts a break on constructive dialogue.
- The emphasis DFID in Peru has put on engaging, dialoguing, influencing, disseminating knowledge and recouping lessons has been well received, especially by Peruvian groups also working towards more open and democratic governance.
- With DFID leaving Peru, development assistance to this middle-income country will be put largely in the hands of the multilaterals, and less experimental donors. This means there will be no strong sparring partner on issues of rights, having the benefit of hard-won experience of working on both sides of the fence.
- The central question is: to what extent does adoption of a rights-based approach carry with it the “right” of a donor agency to take part in political processes? What happens when there is a clash of values in the interpretation of rights as between state, civil society and donor? What in practice does it mean to take a principled stand? None of this can find its way easily into manuals of “good” aid practice. Only some agencies, for a time including DFID, are sufficiently interested and capable of becoming reflective learning organizations can take this on.
- Working across the state-civil society divide proves to be a much more complicated matter than some exhortations to rights-based approaches give credit for.

Sustaining networks

- DFID has supported a wide range of networks, some that have become institutionalized national bodies, others that are more incipient and fragile. Most have not had time to work out their own organizational form or develop internal leadership or management models that could offer the chance of sustainability. Continued resources and motivation may ensure sustainability, but the absence of DFID’s support in terms of rights may lead to dissipation of energies and uncertainty of direction.

- DFID’s supporting networks, the pre-existing political groups, have gained an important breathing space as well as experience in working consistently with a rights-based approach in alliance with DFID. However, their sustainability greatly depends on whether they conceive of themselves primarily as political activists or incipient implementing “NGOs”.

Achieving pro-poor change

- Timely and insightful ideas that reach out for pro-poor change tend to be designed by small groups of knowledgeable people with a strong sense of where important “pressure points” lie.
- While “pro-poor” change and the rights of the excluded are very significant political markers and clarion calls to action, at some point in the network the paternalistic language, focus on lack and inability and attribution of victim identity have to be rejected and turned inside out.

3.4 For those of you attempting this at home

Mark Lewis and Francisco Sagasti in their discussion over how DFID organised itself in Peru highlight the following key conclusions:

Context

- Peru is a middle-income country and is far less deserving of financial support than many much poorer countries. But it merits international support insofar as it tackles greater social, political and economic inclusion, and its notorious inequalities.
- The Peruvian State should do more to agree a common agenda with donors, and donors should do more to coordinate more effectively behind this.

Organising international support

- Donors can do more to understand and engage better with Peru. Two important means for achieving this are the recruitment of high quality national staff and taking a historical view on development.

- Working systemically and explicitly with both state and society and the relations between the two, will produce critical tensions but offers a richness of approach missed by unidirectional or parallel working.
- In keeping with standard political strategy, supporting the development of alliances is key to helping “pro-poor change”. International cooperation should be part of these alliances.

Building blocks for the future

- Strengthening citizenship, establishing rights and promoting accountability will be key to the development of a more inclusive and equitable society in Peru.
- In supporting this agenda, donors must put themselves into the picture, and make themselves accountable to the Peruvian State and society.
- A commitment to effective communication and dialogue, and to open and critical reflexive learning should be a cornerstone in taking this forward.

CHAPTER I
DFID IN PERU: A LEARNING CURVE

ROSALIND EYBEN



From a collection of paintings by rural communities, San Marcos Cultural Centre, Lima.

This chapter sets the scene for how DFID in Peru has participated in, contributed to and also benefited from a gradual learning in the international community about aid effectiveness. It considers the serendipitous or unpredictable combination of circumstances that allowed this to happen. These include the end of an authoritarian regime in Peru; the radical change in direction in British aid and the wider international community to a focus on poverty and inequality issues; and the team's deepening understanding of the nature of power and poverty in Peru shaped its focus and priorities. It looks at how DFID's concepts and action in Peru were married through a strategy of alliances for social change. This meant testing hypotheses, taking risks and generating lessons for all parties involved, not only in Peru but also for DFID and the wider international aid community more generally.

1. Setting the Scene

This section responds to the needs of the book's two sets of readers, introducing Peru to those from the world of international aid and, in turn, introducing that world to the reader from Peru.

1.1 Peru country context

Peru is the third largest country in South America with a population of about 27 million, of which 70% live in cities, most of them in a narrow coastal strip, where Lima, the country's capital and home to some eight million people, is situated. The greatest part of the country is a more sparsely populated mountainous area of deep valleys and high plains that drop down on the east to the tropical forest zone of the upper Amazon and its tributaries. Poverty has a regional dimension and is concentrated in the highlands and forests. Many people living in poverty in Lima's squatter settlements are recent migrants from the interior.

Peru is designated by the international aid community as a "middle-income country" because it has an average annual income of \$2100 but one half of Peruvians live in income poverty (with average incomes of less than \$2 a day) and a fifth in extreme income poverty (less than \$1 a day). In rural areas more than 50% live in extreme poverty. Many of them are descendants of the people who lived there before the Spanish Conquest. They are subject to multiple exclusions, with few links to wider markets, poor access to state services and

ineffective political representation. Citizens who could not read and write (mostly indigenous people) only won the right to vote in 1979. Their avenues for social advancement are much more restricted than for other Peruvians. Broadly speaking, the darker your skin, the lower your position in the social hierarchy.

Ever since the Spanish conquest of Peru in the 16th century, the country has been integrated into the world economy through its extractive industries; principally mining that has failed to generate any broad based type of development. Most of those who have profited belong to a small wealthy class based in Lima who do little to develop other economic sectors in the interior of the country. Mining does little to generate employment opportunities. About two-thirds of the workforce is in the “informal sector” where wages are low and job security non-existent.

The political violence sparked by the Sendero Luminoso (Shining Path) rebel movement during the 1980s and 1990s had a profound impact on poverty in Peru. The violence hit hardest the central and southern Andean zone, predominantly rural and populated by Quechua speaking people. The links between political violence, poverty and the denial of rights were multiple and mutually reinforcing. Since terrorist groups established their strongholds in the poorest provinces, local indigenous communities were often perceived as the enemy and persecuted by the army. They were also punished by Sendero Luminoso for any resistance. The war led to massive loss of livestock, destruction of infrastructure and housing, and forced migration. It also left peasant communities more divided than ever, their internal organization weakened and the people’s trust in institutions essentially annulled.

Although in the 1980s some other countries in Latin America underwent bouts of political violence, and others suffered serious economic dislocation as a result of the debt crisis, Peru was exceptional in experiencing both crises at the same time and in a way that created deep insecurity at levels of society and almost brought the established political order to its knees.

A consequence of this crisis was the emergence of a new authoritarian regime that managed (quite successfully) to overcome these twin challenges. Elected in 1990, Alberto Fujimori built up a new centralised system of power that sought to

perpetuate itself indefinitely. Backed by military might, the regime benefited from manipulation of the media, social policies that used clientelism and government handouts, and Fujimori's skilful use of deep public distrust in the country's political parties and their leaders. It was his attempt in 2000 to secure a third term in office on the basis of overt fraud and manipulation that led to his eventual fall from power in the same year that DFID established an office in Lima.

The government that replaced the self-exiled Fujimori therefore found itself faced with a monumental task of tackling the severe income and social inequalities, and building the institutional framework to sustain a viable democracy where none had existed before.

1.2 Peru and the world of development assistance

Peru receives development support from a complex array of international agencies. The most significant financial support comes from the International Financial Institutions, such as the International Monetary Fund, the World Bank, the Inter-



Photo: Victor Maliqui

American Development Bank and the Andean Development Corporation. These provide loans to Peru that are unsubsidised but still below private capital market rates, worth more than a billion dollars each year, and come bundled with technical assistance.

The United Nations specialised agencies such as the United Nations Development Programme (UNDP) and UNICEF are well represented in Lima, mainly providing grant-funded technical assistance on different governance issues. International non-governmental organisations (NGOs) such as Care and Oxfam are also very active in the country, mainly providing grants to Peruvian NGOs or community

organisations. The international NGOs are funded either by the governments in rich countries or directly through the voluntary contributions of citizens in those countries.

Finally the rich country governments not only finance these other development organisations, but also deliver directly their own *bilateral* aid programmes. It is the British bilateral aid programme in Peru that is the subject of this book. Grant funding from bilateral governments is estimated at more than \$300 million a year in Peru. The bilateral programmes are from a varied group of donors of which the US, Germany, Canada, Spain, Japan and the European Commission, representing European Union countries, are the largest.

The British bilateral aid programme is the responsibility of DFID — known previously as the Overseas Development Administration — which is also charged with overseeing support to the international organisations and to NGOs. The British Government's development policy, set out in the 1997 and 2000 White Papers on International Development, is a commitment to the internationally agreed Millennium Development Goals, to be achieved by 2015. DFID's global budget is several billion pounds. The bilateral aid programme in Peru has averaged between £3-4 million a year since 2000, excluding office costs.

International bilateral support to Peru has been on a declining trend over recent years, as a number of rich countries have shifted support from middle-income countries, such as Peru, towards poorer countries particularly in Africa. Throughout the period under review in this book, 2000-2005, DFID headquarters went through several cycles of questioning about the role for development assistance in middle-income countries. Working out the role for bilateral aid, and how this should fit with assistance from multilateral, private and other bilateral agencies, was to be a central concern for the DFID office in Peru, which was to make some critical contributions to DFID thinking on middle-income countries.

Box One

Elena Montobbio, Head of Spanish International Development Cooperation Agency (AECI) in Peru

Our joint work with DFID has generally taken place around coordination platforms such as the European Union's Cooperation Counsellors Working Group, the Governance Group and other sector platforms. AECI and DFID normally agree on their proposals, focuses and initiatives and have achieved a good rapport and mutual understanding.

For AECI, DFID in Peru has been an important partner for analysing current affairs in Peru, defining the role of cooperation and establishing positions on particular issues for building firm commitments. Some activities begun by AECI, such as the matrix of European Union projects, have been recommenced and promoted by DFID.

DFID has been a very dynamic member of these groups, with a great capacity for analysis and leadership for making both technical and political proposals, necessary for strengthening certain cooperation processes. One of its most valuable contributions has been the identification and application of the rights focus, and disseminating this among the agencies' working groups. This has been one of the characteristic features of its cooperation. AECI has had the chance to have a closer look at this perspective and enrich its own strategies. We really appreciate the technical discussions we have had with DFID, from which we feel we have learnt a lot. We also appreciate DFID's insistence on extracting the lessons learned from the experience and on defining the major challenges, and value the feedback they have provided. DFID's publications are a real contribution to cooperation everywhere: government, community partners and others involved in development.

We had good experience of AECI/DFID's joint discussions and dialogue in 2003 with Peruvian authorities and other members of the international community in Peru, regarding cooperation with middle-income countries. This has paved the way for joint work to define specific strategies for overcoming poverty in middle-income countries such as Peru. We would have liked to be able to conclude the joint discussions regarding international cooperation in middle-income countries, and continue working together in a country like Peru, a priority for Spanish Cooperation in the coming years.

2. DFID in Peru

2.1 The early years

Britain had been funding a small number of technical assistance projects in Bolivia, Peru and some other countries in Latin America since the 1970s. These usually were run by British technical experts, with on-the-spot oversight by diplomats in the local British embassies. The British government has always been most interested in its aid going to former colonies in Africa and South Asia and the rationale for activities in Latin America had long been the subject of debate. Stopping projects in Latin America was under consideration in the late 1980s but a groundswell of enthusiasm in Britain for saving the environment, and the policy impact of the 1992 Rio conference, led to a decision to keep aid to Latin America, albeit not on any significant scale. By the mid 1990s British aid to Peru was justified largely on geo-political, commercial and environmental grounds. Some projects reflected this, such as alternative development for drugs control and English language teaching.

The Labour victory in the 1997 general election in Britain led to the transformation of the Overseas Development Administration into the more powerful Department for International Development. The new DFID became a significant player in the global arena of international aid, influencing the policies and expenditure of the big institutions in which it had shareholder or membership rights, including the European Commission and the World Bank. To be a credible global actor it needed a presence on the ground in every region of the developing

world, including Latin America. There was a second reason for being interested in the region. Although most of the countries in Latin America, including Peru, are not classified as “low-income”, there are still very large numbers of people living in poverty.

A strategy paper for UK aid to Peru published in 1998 reflected these new concerns. It carried over themes from before the 1997 election watershed and the programme continued to be designed and managed from London. However, DFID’s growing concern during the 1990s to improve project quality (with the introduction of such tools as project cycle management and logical framework analysis) led to the creation of “field managers” in the aid recipient countries. These new managers were hired in the UK and were specialists in the relevant field, but their role was essentially technical with limited diplomatic status and few responsibilities for policy or programme design.

2.2 A fresh approach

In 1999 the DFID Secretary of State asked for a really fresh look at DFID’s involvement in Latin America, one with a clear aim of reducing poverty and inequality. Early that year she hosted a seminar in London to support the Inter-American Development Bank’s (IDB) new concern over inequality. Its annual Economic and Social Progress Report had noted that Latin America has the world’s most lopsided income distribution. The richest 10% of its population takes in 17 times more of the region’s income than the poorest 10%. Key themes were emerging in DFID that were to shape future directions. These included central conceptual issues of inequality, governance and poor people’s rights and what role bilateral assistance should play in middle-income Latin America. The latter included the need to focus not only on policy influence on the governments of the region but also on influencing the international development organisations to play a full role in tackling these issues.

In response to this policy shift, new DFID officials were posted to the region, including an economist to Lima, where there was already a health field manager, and a social development field manager to La Paz in Bolivia. Within a few months of these officials taking up their posts in March 2000, de facto devolution had

taken place although formal authority remained in London until 2003. In both countries, these officials set up and proceeded to staff DFID offices, which continued to stay in close contact with each other.

That such a rapid shift occurred was due to the coincidence that both new officials were highly experienced DFID advisers, with a specialised interest in the region. As permanent civil servants they were granted diplomatic status, which gave them access to decision-making spaces in the capitals that had been largely inaccessible to the earlier field managers. They also knew how DFID worked and had extensive networks within head office that allowed them to achieve greater freedom of action in-country. Managers in the Latin America Department were willing to surrender some of their authority to the country offices, recognising the advantage of local knowledge.

In the six months between the establishment of the DFID office in March 2000 and Fujimori's downfall in October, the Peru team made contact with a range of civil society actors, with whom subsequently DFID was to establish strong relationships, and visited places where poor people lived in the shantytowns and rural areas of the country. In May, the DFID Head of Office in Peru wrote that so far the bilateral programme had provided very little support to the empowerment and governance agenda and that options for supporting this agenda included (a) targeting support for specific interest groups working on the poverty and rights agenda (b) helping local organisations scale up their role in demanding services and (c) strengthening those institutions which play a role in holding government to account in its provision of services to the poor.

DFID's evolving Latin America regional strategy was significantly influenced by this emergent strategic work now being undertaken in Peru and Bolivia and the major objectives for DFID's action in the region were identified as pro-poor economic growth, strengthening governance in favour of poor people and enhancing social inclusion and the realisation of rights.

In Peru the governance and human rights agenda had already become central to the pre-occupations of DFID and other donors. In an atmosphere of increasing international concern about the Fujimori administration DFID froze a further phase of its support to the Ministry of Health and new money available in the

pipeline was shifted to designing a civil society human rights programme that was eventually to be managed by Oxfam.

Fujimori's downfall later that year was an opportunity for DFID to advance its growing focus on issues of governance, participation and rights. It saw this as the means whereby a relatively small donor budget could prove itself most useful in terms of its comparative advantage and opportunity. While nearly all donors were keen to provide general support to the election process, DFID opted to improve the participation of poor people as informed voters. An independent country strategy review noted that this project constituted the first systematic effort by DFID that involved collaboration with local NGOs and noted that despite the project's limitations in terms of effectively reaching very poor people, DFID had demonstrated that strategic alliances for joint intervention involving NGOs, representative grassroots organisations and state actors are still the best means to reach the poorest sectors.

Meanwhile, both in Peru and Bolivia, the new country offices were developing management plans, including recruiting experienced and senior specialists from the countries themselves. The Peru office recruited a Social Sectors Advisor and a Social Development Advisor, both with many years of experience working in their respective fields. What framework of reference for its work and priorities could be offered to the new team? This is the theme of the next section.

3. Understanding the Causes of Poverty in Peru

A habit of the international aid system has been to ignore history. Most development policy-makers still tend to take snapshots of the present, rather than consider what happened in the past and how this could affect the future. Exceptionally, DFID in Peru has appreciated the importance of investing in understanding, not only the current policy context but also how institutions have evolved and been shaped by what French historians have called the “long duration”.

3.1 DFID interpretations of poverty in Peru

An interest in the “long duration” is described in DFID’s 2003 Country Action Plan (paragraph B.11) in the following terms:

Some people look to the deep causes of inequality, poverty and exclusion in Peru, in the history and culture of the country. They argue that the Conquest’s repression of the indigenous population and the maintenance of European institutions since Independence have contributed to the deep divisions in society, the lack of a collective sense of national identity, multi-layered violence and racial and ethnic discrimination.

This perspective builds on an understanding of Peru as characterised by an authoritarian tradition in which violence permeates all social as well as state institutions. Fear of this violence exerts a hidden power that constrains collective

action by the oppressed and reproduces gender and racially-based hierarchies. Cáceres, in a paper commissioned by DFID, suggests that rights-based development was weakened. For example, Wilber Rozas, elected as mayor in the 2002 municipal elections, told Cáceres about the new relationship between the local authority and the inhabitants. Unlike former mayors, Rozas was not seen as someone who could lord it over them: “On one occasion when there was a survey concerning what they most liked about the new council, it was thought the answer would be public works but the people said that what they most liked was the way they were now treated” (Cáceres, 2003, page 53).



Photo: Victor Mallqui

The same DFID Country Action Plan points to a further explanation for Peru’s failure to reduce poverty, one that relates to the weakness in the formal institutions of democratic governance associated with populist and personalised party politics and lack of state accountability. Its third and final explanation points to failures in economic and social policies as causes of current poverty and inequality. This three-fold diagnosis draws also on a number of other studies commissioned by DFID in relation to state-society relations (Portocarrero, Tanaka and Sagasti). Sagasti identifies the causes of poverty as a result of:

- long-term contextual factors (such as those referred to in the quotation above from the DFID country plan);
- medium-term (formal institutional ones such as the judiciary or the political party system); and
- short-term contingent (policy) factors (for example, decisions on public expenditure that are biased against the poor).

He suggested that donors tend to concern themselves with trying to improve the short-term policy decisions. He argued they would be more useful if they were to support improving the performance of the formal institutions that shape

these policy choices. However, he suggested that donors could not do much about the long duration.

DFID's work in Peru was also influenced by global corporate understanding of the importance of history and context. A DFID draft paper *Better Government for Poverty Reduction* stresses that the donor tendency of trying to influence short-term policies could lead to considering the medium and longer term social and political context as something that gets in the way of "good policy". The paper proposes that donors have to change the way they seek to influence local processes. "Instead of trying to make the context fit the policies, it may be better to start with the context." (DFID, 2003, page 12). The paper suggested a "Drivers of Change" approach summarised in the box below.

Drivers of Change

Drivers of Change is a way of understanding the political economy of change and poverty reduction in developing countries. It directs attention to the structural and institutional factors likely to "drive" change in the medium term, and to the underlying interests and incentives that affect the environment for reform. Adopting a Drivers of Change approach requires that we make the local situation our point of departure, rather than preconceived policies.

Thus by the time the Peru country plan was drafted during 2002/03, DFID's explanations for the causes of poverty was on the medium and long-term factors rather than on short-term policies. One level of causality does not of course preclude the other — and the DFID plan does not attempt to do so — but to privilege one level over the other may lead to different priorities and possible fragmentation of effort for a small and energetic country team. Focusing on the medium-term factors, that is the institutional causes of poverty, points to engaging with those already in positions of authority and influence — officials, party politicians, civil society leaders. On the other hand, going to the deeper causal level of history and culture may lead to engaging directly with the powerless — something that may be impracticable and possibly more risky.

It has been suggested that governments only concern themselves with the struggles of the poor and marginalised when they are perceived as a threat to established order (Luckham et al, 2000). It is a moot question whether an official aid agency, can go beyond what the host government is prepared to do. Whereas a medium-term diagnosis of poverty might lead to action that emphasises participation as a means to improve relations *between* society and the state, the longer term perspective might lead to an understanding of participation that focuses on changing power relations *within* society. Crabtree and Wilson do not provide much evidence of DFID having gone that extra mile. We can only speculate that if the office were not to be closed, whether the DFID team could have built on their successful work with allies in state and society institutions to take on this challenging agenda.

3.2 State-society relations as a framework for engagement

In July 2001, the Head of the DFID office in Peru and myself — then leading DFID’s programme in Bolivia — proposed that a strategy for DFID engagement in reducing poverty in the Andean region should be driven by a *diagnosis*. The key *problem*, we suggested, was the failed relations between state and society that resulted from the region’s post-Conquest history. We therefore proposed that DFID’s agenda should be to focus on strengthening these same relations, thus tackling the manifest problems of exclusion and highly skewed power relations.

In his review for DFID of state-society relations in Peru, Portocarrero noted that whereas one perspective might focus on the authoritarian tradition, another might emphasise the possibilities offered through the building of firm democratic institutions (2002). He also identified a number of common themes with which most analysts of Peruvian society would agree. These included a greater prevailing awareness of inequality expressed through the “visibilisation” of discrimination and racism that previously were not recognised by the elite; a continued and prevailing hierarchical structure of society with fragmentary solidarity only with people “like oneself”; and the optimism of the 1980s concerning the capacity for direct democracy and collective action by poor people had changed to one of disillusionment as popular organisations were co-opted into a prevailing clientelist

system. Overall, however, Portocarrero concluded that there is no single overarching way of explaining what is happening in Peru. He suggested that DFID had to recognise the presence of complex, contradictory and unpredictable trends (ibid.).

In seeking to persuade more influential members of the aid community to make the local situation the starting point *and* to recognise that there may be different interpretations of that situation, DFID co-funded a World Bank regional conference on empowerment and took the lead in designing and funding a study to shape the Bank's new country strategy. This study sought to capture the diagnosis of a representative sample of people living in poverty. What did *they* think caused poverty? The *Peru Voices of the Poor* study revealed a multi-dimensional understanding in which different elements mutually reinforce a situation of stress and difficulty that are encountered in the family and community, in the work place and in relations with formal institutions (DFID - Banco Mundial, 2003). In all the localities where the study was conducted people described vividly the discrimination and ill treatment suffered when inter-acting with public officials (ibid.).

DFID's engagement with the World Bank on these issues has become less intense in the last year or two, for different reasons. It was partly a result of a change in personnel at the Bank's office in Lima. But mainly due to DFID learning that in terms of real world change, investment of its staff time in direct alliance building with Peruvian partners who were conceptually closer appeared to be a more fruitful first step, and building the international community including the World Bank into these alliances could then follow.

4. Concepts and Action

By August 2002, the DFID office had reached its full complement of advisory staff when joined by an international Governance Adviser. Each team member had his or her own understanding and interest in how social change happens and what DFID should do to support it. At the same time they shared a common interest in promoting a rights-based perspective that addressed explicitly issues of power.

The team's investment in thinking nourished its actions. As Crabtree and Wilson demonstrate, it is the investment in the conceptual work that has allowed the team to identify key opportunities for promoting significant change. In discussion with the other authors of this book, Wilson noted how DFID in Peru was constantly making sense, translating and mediating between broad international debates about rights and citizenship, Lima politics and situations and events in the highlands where the poorest people live — and not only in relation to project formulation but also in routine and every day tasks of following up project activities. There are three key themes that have underpinned DFID's actions in Peru, namely, a rights-based approach, the notion of citizenship and concerns for accountability. Also important was the recognition that the donor is part of the social and political change that it is supporting.

4.1 A rights-based approach

The meaning and importance of rights-based approaches are often disputed and official policy Statements tend to reflect a compromise between views. On the whole bilateral aid agencies are hesitant to move from declaration to implementation of rights-based approaches. By contrast, DFID in Peru appears to have taken rights-based approaches as far if not further than any other DFID country programme (Piron and Watkins 2004). This is evident both in short-term strategic projects such as in relation to the 2001 and 2002 elections as well as in the design and implementation of projects in the health and education sector and in its governance work. The policy basis for its work has been the DFID paper *Realising Human Rights for Poor People* (2000) with its three crosscutting objectives of inclusion, participation and obligation.

The initial starting point was a vision of bringing together those civil society actors working on civil and political rights (human rights organisations) with those working on sustainable human development and poverty reduction. DFID was particularly keen to reach small grass roots organizations in the highlands of Peru to include economic, social and cultural rights within the scope of the work they supported. This made it rather different from some other bilateral agencies whose interest was more in civil and political rights and the abuses of the Fujimori regime without a specific focus on the exclusion and powerlessness of poor people. With the establishment of a democratic interim government in November 2000 DFID's work shifted to a stronger emphasis on the role of the government, as well as civil society, in supporting poor people's actions. This meant cultivating new alliances and nurturing existing networks between state and civil society to work together on issues of participation, poverty reduction and realising rights.

What was arguably innovative or even radical about DFID's rights-based approach in Peru was that it confronted the political dynamic often played down by development literature. For example, it openly acknowledged rights-based approaches to have value-laden principles such as equality, democracy and participation. It actively sought to strengthen the political voice of those who so far have had little influence on the decisions of their own government, including decisions on how to spend aid. The team's efforts reveal difficult issues concerning

the legitimacy of action, the practice of power and lines of accountability. For example, whilst it has consistently worked fully within the Peruvian national legal framework, the very act of supporting the disempowered to challenge inequality and exclusion has sometimes created tension between DFID and the state. This was the case in DFID's health programme, which is examined in greater detail in Chapter Three.

4.2 Promoting active citizenship

DFID understands state and society to be bridged by the concept of citizenship. More problematic is where one places the emphasis in terms of funding activities, on the state or on society. The structure of this present book, with the second chapter on supporting institutions and the third on supporting networks mirrors the academic discipline and experience of the governance and social development advisers. These two foci are not incompatible. The original perspective of “state” and “society” as two separate entities dissolves into an appreciation that the state cannot be seen as homogeneous. It is diverse and porous to societal processes. In the next chapter Crabtree shows how it was this appreciation that enabled DFID to respond so rapidly to supporting both citizen participation and elected officials in Peru's recent move to decentralised government.

Recent research across the globe indicates that while people's experiences clearly vary, both by context and by the nature of their exclusion, there are certain common values that people associate with the idea of citizenship (Kabeer forthcoming). These are a sense of and demand for *justice*, associated with a claim to be *recognised* and respected in relation to their own sense of identity and a claim to self-determination or *autonomy* — to exercise some degree of control over their lives. A fourth set of values is that of *solidarity* with others. If people experience injustice, their self-identity is not recognised and they have little autonomy, then it is likely that solidarity is likely to be restricted to the immediate family or neighbourhood and will not extend to a wider sense of being part of a community, city or nation. Active citizenship is thus dependent on people's sense of how they are treated and valued by the institutions of society, state and market.

According to a DFID/Spanish Cooperation joint visit, EU donors are increasingly justifying their presence in Peru in terms of helping the country tackle its long-term problems that they identify as high inequalities, a fragile political framework, and social exclusion and the potential for conflicts (Eyben and Lister et al 2004). Supporting organisations and networks that are promoting active citizenship in the sense just described appears to offer considerable potential for helping Peru tackle these long-term problems. It offers a conceptual framework that is flexible enough to cope with multiple diagnoses of the causes of poverty while at the same time sufficiently robust to provide a compass for focused direction. On the other hand, as I discuss below, it means recognising that aid is a political as much as a technical activity.

4.3 Fostering accountability and responsiveness

The concept of active citizenship expands on the rights-based approach of the DFID *Human Rights Target Strategy Paper* to address the dysfunctions in state-society relations (2000). A governance perspective emphasises that improved responsiveness to the poor members of society requires fostering greater state accountability. This encompasses considerations on the rights and responsibilities of both the state and society and the mechanisms of interaction between the two, both formal and informal. Engaging with the political system and political parties in particular is a key ingredient to enhance vertical accountability to the poor.

In Peru DFID's governance work grew to be premised on the need to strengthen both the mechanisms of citizen participation and oversight and the formal institutions of representative democracy, such as elections, parties or parliament. Participatory processes would be likely to have more impact if they leap forward and are able to engage with the formal institutions of representative governance to influence policy. Accountability, as a process, needs to occur throughout the policy cycle, through participation in the formulation of policies, transparency and oversight in the implementation of policies and answerability in the evaluation of policies. As Crabtree describes in Chapter Two, the case of the Identity programme is an example of the necessary complementarity between participatory processes and representative institutions to encourage accountability

to the poor. DFID's approach suggests that supporting a synergy of accountability mechanisms (horizontal, vertical, etc.) may yield the greatest chance of achieving meaningful change.

4.4 The donor as political actor

DFID's strategy was to help strengthen state-society relations by supporting both state and society actors separately as well as to facilitate their working together on shared agendas. Donor agencies are staffed by civil servants and, when working with state institutions, not surprisingly, they have tended to engage with the reform of public administration as a technical issue divorced from the politics of the process. Thus systems for greater accountability and transparency may be introduced without reference to the perspectives and voices of the citizens and their representatives for whom such institutions should exist. This was DFID's approach, for example in the health sector in Peru before 2001. Equally apolitical has been the way donors tend to conceive of poor people not as citizens but as clients or beneficiaries and of "participation" not as a political action but as something poor people do in their local communities to build schools or to become involved in micro-finance projects.

Since 2000 DFID's approach has acknowledged that to reduce poverty requires supporting participation to shift power relations. It understands this as both engaging with and supporting the strengthening of the formal political system

so that elected representatives of the people can function effectively, as well as enhancing the voice and agency of those excluded, so that they also can be part of that system. Because many donors still prefer to see participation as a "technical" matter, it can be argued they run the strong risk of failing to achieve their poverty-reducing goals by not considering and



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tackling the medium and long-term factors that cause and sustain poverty. Why they incur this risk may be to avoid becoming embroiled in the issues of power and politics that necessarily occur when a donor agency assumes a brokerage or facilitation role. For example, in discussing DFID's involvement in the health sector, Wilson notes the strategic power of working through networks but she comments on the resulting risks of political discord and breakdown when engaging in complex and controversial policy arenas.

Although the global DFID "drivers of change" model makes the case for contextual knowledge it still assumes that the donor is external to that context, rather than part of its construction. This next section examines just how the Peru office learnt to operate in what proved to be a messier and more contradictory world than the model might assume.

5. Donor Aims, Perspectives and Relationships

In this chapter, I have referred to Peru's middle-income status, because this is how it is officially viewed by international development assistance, because this was important to DFID corporately and because DFID recognised this in its relationship with Peru. In this section, I explore different understandings and consequences following from this status, what it meant for DFID in Peru, how this grew into the alliance building approach developed by DFID, and the relevance of the approach to other countries, both low and middle-income.

5.1 Aid effectiveness in middle-income countries (MICs)

In a consultancy for DFID London, I noted that there were three possible reasons why high-income countries provide bilateral aid to MICs. The first is to tackle the high levels of poverty and inequality present in some of these countries; the second is to help the recipient government be an effective actor in the international arena, reducing global disparities in power and contributing to the production of international "public goods"; the third is to support the political interests (domestic or foreign) of the donor country (Eyben and Lister 2004).

In a joint visit to Peru by officials from DFID and the Spanish Cooperation Agency (AECI), staff noted this diversity of donor interests and an absence of strong donor coordination. The report from that visit also commented that an outsider is unlikely to see Peru primarily through a per capita income lens. The

delegation realised that alternative primary perspectives included: an inequitable society; a post conflict state, a vulnerable transition economy, an emerging democracy; and a stakeholder in an Andean political economy. These different perspectives pointed to alternative roles for aid, with a caution from some civil society representatives. They commented that inequality was the most pressing development issue but because of its politicised nature, foreign involvement might not be appropriate.

In a reflection for DFID, Cáceres commented that any diagnosis of what is wrong with Peruvian society and polity is influenced by the prescription offered. He noted that development agencies are particularly prone to this tendency, what one might describe in English as, “If you only have a hammer, everything is a nail”. Because donors are constrained by what they believe they can offer, it is difficult for them to accept other diagnoses of the problem where they may have less to offer or where local people do not wish to invite their interference. Donors need to convince recipients of their utility in order to play the role of donor. Thus they use their relative power (including the ability to commission studies) to enrol others to agree with the donor-identified diagnosis. They then construct alliances and networks to sustain this diagnosis and the solutions that flow from it, solutions that require donor support to achieve effective implementation.

DFID in Peru set out to encourage this debate on the appropriate role for development assistance in unequal middle-income Peru, contributing to DFID thinking on strategies for relationships with middle-income countries.

Box Two

Brenda Killen, was Head of Europe, Middle East and Americas Policy Department, DFID

I worked with DFID Peru from April 2001 until October 2004, when I was head of DFID's Europe, Middle East and Americas Policy Department. During this time I led work within DFID on improving aid effectiveness in Middle Income Countries (MICs). The insights gained from Peru's development challenges, and the wisdom and advice provided by the DFID-Peru team were instrumental in taking this work forward.

Peru was the most important case study underpinning DFID's work on MICs. In per capita terms, the country is firmly in the middle-income category, but high inequality and deep social divisions mean that significant poverty persists. Peru is not aid dependent, and so external financing is not a lever for action on poverty. Donors that are committed to achieving the MDGs must find alternative ways of influencing the debate on poverty. The DFID Peru team, with its emphasis on "development diplomacy" based on a strong understanding of the political context of Peru, illustrated how to exert influence without significant financial resources. And the team's emphasis on generating demand by excluded groups for poverty reduction through existing political processes is one of DFID's most successful examples of raising demand for services.

Our work in Peru helped to uncover some serious concerns about donor behaviour in MICs. The most important of these is the lack of a clear framework for donor engagement in MICs, along the lines of the PRSP in low-income countries. The lack of a strategic framework constrains dialogue on inequality, poverty reduction and other deep-rooted problems, which in turn prevents a discussion of the most appropriate role for donors. This is particularly problematic in countries such as Peru where political rather than financial solutions are needed to address poverty.

In addition, lack of discussion of the terms and timing of Peru's graduation from bilateral development assistance has created uncertainty and encouraged a short-term approach to the use of aid. As pro-poor donors have pulled out of Peru — redirecting their resources to low-income countries — the quality and quantity of grant aid for poverty reduction has fallen. Although Peru still has access to lending from the World Bank and IADB, these near-commercial rate loans are not a good instrument for supporting policy dialogue on poverty. This highlights the need for planned graduation by grant donors, and a stronger role for donors such as DFID to increase the poverty focus of multilateral development banks through their role as shareholders and shapers of international development policy.

The structure of the Peru team — headed by a senior UK-based adviser with strong policy and influencing capacity, supported by very strong national advisers but without significant administrative support — was identified as the most effective model for DFID's engagement in MICs. Influencing, rather than financial assistance, is our main instrument in these countries.

All of the above findings are reflected in DFID's strategy for achieving the MDGs in MICs (October 2004). This paper has sparked significant international interest in the role of development assistance in MICs — including discussion at this year's World Bank and IMF annual meetings.

As noted previously, DFID's own Country Action Plan for Peru is remarkable in offering several diagnoses, rather than a single one (2003). There is an interesting disjuncture between this complex approach to diagnosis and the logical framework requirements of the later section of the Plan that defines objectives and activities. In Chapter Four, Lewis comments on the extent to which in practice DFID Peru was able to deal with the linear logic of frameworks while clearly responding to complexity and messiness by investing in the relationships for alliance building that are discussed in Crabtree's and Wilson's chapters.

The same Country Action Plan noted that “support for strengthening state-society relations will help poor people exercise their rights and responsibilities as citizens of Peru” and stressed that such support would include helping the poor and their representatives participate in the development and oversight of public policies and programmes that would in turn help the Government become more responsive and accountable (ibid.)

The Plan also noted that this focus on the state-society nexus would require DFID to engage with a multiplicity of other organisational actors in the countries concerned so as to *facilitate, advocate and disseminate information* (ibid.) This was what DFID in Latin America understood as “influencing” to which subsequently was added an additional element, that of investing in relationships. This meant identifying allies who share a common goal and building non-instrumental relations of trust and friendship. As discussed next, eventually DFID in Peru went one step further and saw the investment in relationship as a means to developing what it has called “alliances for change”. DFID in Peru experimented with different ways of engaging the international community in these alliances, in particular with the multilateral institutions; Lewis describes this more fully in Chapter Four.

5.2 “Alliances for change”

A concern with processes and partnerships was common in all three of DFID’s country offices in South America (Brazil, Peru and Bolivia). This “rich experience” was noted in an independent report commissioned by DFID from the Edinburgh Resource Centre (Watkins 2003). At a workshop in 2003 of DFID staff working in these three countries participants concluded they had learnt significant lessons for effective aid and that were applicable worldwide. These are summarised in the box below.

Lessons for making aid more effective

- *Money or resource power* does help to get a seat at particular tables but not necessarily at the table where one needs to be to support effective change.
- *Position power* and resource power without the skills, competences and credibility is insufficient to build effective relationships.
- Donor relationships: often focus on those where there are *high levels of perceived comfort* i.e. working with other donors in coordination groups whilst missing more effective entry-points with other less obvious actors.
- *Long-term investment in institutional relationships* with these other actors can support effective change even when little or no financial resources are transferred and high levels of spending may distract from the construction of effective relationships. Any relationship investment should be informed and tested by its capacity to support and not undermine poor people’s empowerment.
- It is important to work on *demand-side issues as well as supply-side*. Past programmes, however, have mainly focused on supply and improving supply-side relationships rather than building capability of people to articulate their demands, influence decision-making and access resources.
- To support effective change through investing in relationships is much harder to achieve without a *country office*.
- Donor knowledge of the *political, social and institutional policy context* is vital for effectiveness but they must consider who and how they finance for the acquisition of that knowledge and the impact this will have on their understanding of the structural causes of poverty.

Peru's experience contributed substantially to these lessons, particularly the stress on an explicit recognition of the agency's role as a non-partisan political actor. In a presentation to DFID staff in the region the previous year, the Head of the Peru Office, Mark Lewis, had stressed the risks that accompany this explicit political agenda and thus the importance of doing thorough ground work before embarking on a new alliance or relationship. This included a detailed analysis of the political context and actors in relation to the arena in which DFID wanted to enter. He emphasised the need for a DFID office to assess the quality and quantity of its own political capital (resources, status or position, personal authority, expertise, etc.) and to spend this wisely. Finally, he warned of the importance of seeing things through, not getting distracted and moving onto another initiative without having accompanied the first set of partners through to some mutually agreed end-point.

DFID's projects were highly responsive, flexible and built around forming alliances. These alliances often started experimentally with a small grant made for a time-bound specific purpose, as in the case of the initial support to the health network described in Chapter Three. As mutual trust developed so DFID became ready to invest more financial resources in supporting organisations and networks to pursue their evolving agendas. However, Crabtree notes that those he interviewed stressed what they really appreciated from their relationship with DFID was not the money but the intellectual input and the accompaniment. Key to this was the country team whose Peruvian members brought with them their own commitment, knowledge and networks.

Arguably in this approach DFID ran the risk of being co-opted by agendas of the national staff, agendas that might have been in discordance with DFID's own aims: less well-informed foreigners in the country team might not have been aware of what was happening and finding themselves over-influenced by their more connected and knowledgeable local colleagues. Because of the head of the office's own integration and understanding of Peruvian society, this particular risk appears to have been avoided by firstly taking considerable pains in selecting the Peruvian staff, and secondly by staying closely involved with his colleagues' plans and activities. On the other hand it is possible that an over reliance on certain networks might have led DFID to not noticing other possibilities and

actors. If the office were not to be closed, this should have been a key issue to explore in any evaluation leading to a further phase of support to Peru.

This emphasis on engaging in alliance building points to the need for a country office such as that in Peru to be regularly testing the quality of its relationships through iterative feedback, reflection and change. While recognising this in principle, the team's enthusiasm for engaging in this alternative form of aid has meant that any systematic attempt to secure such feedback from its partners and associates was delayed until now when what is learnt will be more useful for other DFID country teams than for the one in Peru whose time is coming prematurely to an end.

6. Conclusions

DFID's evolving interpretation and response to the changing political and institutional context in Peru was shaped by the dynamic interaction of a number of factors. These included:

- The deepening knowledge of DFID staff about Peru that shaped its thinking about its role — knowledge gained both by learning from active engagement as actors in Peruvian political processes and by reading about as well as specifically commissioning analytical studies of Peru;
- The choice of personnel and the ideas they brought to the work of the office with its mix of senior Peruvian and international specialists working together on a common agenda;
- The investment of staff time in wider conceptual debate and reflection about social and political change and the role of donors in this process;
- The organisational and personal relationships created in connection with the activities DFID was funding that in turn influenced the perspectives of the DFID staff;
- The wider shifts in thinking in DFID about the role of aid in general and in Middle Income Countries in particular — while noting that DFID Peru itself contributed very energetically to informing this wider strategic thinking that it then drew on for its own country work.

In short, DFID in Peru developed a way of working that through reflective learning iteratively linked *theory* (rights and citizenship) with *strategy* (strengthening state-society relations) with *means* (supporting the development of alliances for change within and beyond Peru). As discussed in the chapters that follow it was an approach that allowed DFID to use its scarce resources to take strategic advantage of the windows of opportunity that opened with the transition to a more democratic and inclusive Peru.

CHAPTER II
SUPPORTING INSTITUTIONS FOR
POLITICAL INCLUSION

JOHN CRABTREE



From a collection of paintings by rural communities, San Marcos Cultural Centre, Lima.

1. The Historical Legacy: A Democratic Deficit

One of the key characteristics of Peru's political development during the twentieth century was the weakness of democratic institutions. Whereas elsewhere in Latin America, most people began to be incorporated in the political life of the nation — either through revolutionary upheavals (as in Mexico or Bolivia), populist mobilisations (Argentina or Brazil) or through more orderly institutionalised means (Chile or Uruguay) — this did not happen in Peru to the same extent. It proved exceptionally difficult to achieve some sort of social pact or consensus around which institutions could be built up, still less institutions geared to reducing the huge social, ethnic and geographical rifts that divided the country.

For much of the twentieth century, Peru was governed by authoritarian, centralist, and often-military regimes that resisted democratic participation and prioritised Lima at the expense of the rest of the country. It was only in 1979 that universal suffrage was achieved. And it was only in the 1980s that one can begin to see something akin to a party system emerging, with an agreed set of ground rules (the 1979 constitution), a range of parties of varying ideological colours, and elections that were frequent, regular and clean. However, the parties themselves remained “top down”, hierarchical institutions with little by way of internal democracy or transparency and with only a limited degree of real organised presence at the grass roots. They were therefore far from fulfilling their supposed role as effective bridges between state and society.

The democratic interlude of the 1980s did not last long. The failure of political elites to manage the economic dislocations caused by the debt crisis and handle the upsurge of rural political violence caused by Sendero Luminoso meant that parties and their leaders were held responsible by a population caught in a maelstrom of political and economic insecurity. The gap between state and society seemed wider than ever and, to use Shifter's phrase (2004) Peru was ruled by a "government without authority". Even before the election of Alberto Fujimori, a quintessential outsider, the parties had entered into a period of crisis, one that the increasingly authoritarian Fujimori did his best to exploit to boost his own legitimacy. Fujimori's government sought to marginalise democratic institutions and to minimise political intermediation in favour of a system of patronage/clientelism in which he, the president, tried to make himself the main link between state and society.

Fujimori's eventual fall in November 2000, accompanied by a strong backlash against his undemocratic, manipulative methods, brought with it a new attempt to try to forge procedures and institutions that would confront the deeply-rooted problems of poverty and inequality and would bridge the yawning gulf between government and the people. This then was the context in which DFID established its office in Peru early that year.

2. Working Locally for Political Inclusion

Given the highly centralised nature of the Peruvian State, local government never counted for much; still less was it a “driver of change”. Even when Peru returned to civilian rule in 1980, elected local mayors continued to function on minimal budgets that prevented them — even if they had wanted to — from becoming dynamos of local development. In more rural areas — where most of Peru’s poorest population is concentrated — mayors tended to form part of local power configurations that systematically ignored the plight of the poor. They formed part of a system of urban-based clientelism and patronage, part of a “top-down” system that did little to articulate social pressure from below.

DFID establishing an office in Lima in 2000 coincided with renewed interest in administrative decentralization, accountability and participatory inspired by the fall of Fujimori. The suddenness and unexpected way in which Fujimori fell led to a rapid transformation of the political landscape, and many of those with whom DFID felt intellectual empathy suddenly found themselves in positions of authority. In the heady days of the Lima “spring”, there was a swift and abrupt about-turn in development thinking in favour of new approaches that involved “bottom-up” development, decentralisation and the creation of new arenas for public participation. In this context, DFID became a sought-after partner, not just a source of much-needed financial support but as a valued adviser in the design and implementation of public policy.

2.1 Strengthening electoral education and oversight

Supporting national elections (PAPE)

Previously involved mainly in the area of health, DFID thus found its expertise being tapped in other areas. The interim Paniagua government, which lasted from November 2000 to July 2001, faced the enormous challenge of organising clean presidential and congressional elections within a very tight schedule. Fernando Tuesta, head of the agency responsible for organising elections (ONPE), approached DFID for help soon after his appointment in December 2000. Tuesta, a political scientist, claims that he saw the elections not just as a technical exercise but as a means to build and extend active citizenship, with voters making real and informed choices between candidates (see Text Box Three). This view coincided with the growing focus on rights-based approaches adopted by DFID and its interest in strengthening citizenship.

The way in which electoral support fitted in with changing views within DFID has already been noted in Chapter One. DFID's analysis of Peruvian poverty pointed, among other things, to the failures of the country's political system to represent the voice of the poor. On the ground, however, the challenge of translating this analysis into practice was substantial, and DFID had to feel its way. What became known as the Programme in Support of Electoral Processes (PAPE) was a completely new field of activity for DFID, made more urgent by the sudden change of government and the need to organise elections within four months. It involved thinking much more concretely about the ways in which to mesh issues of political rights with longer-term goals about poverty reduction. In practice this meant trying to bring Peru's poorest and most excluded within the political system via electoral education and oversight.

DFID was not the first bilateral aid institution to engage in this sort of activity, but it was certainly the one that suggested strongly more coordination was needed between State institutions and civil society organizations. The speed at which political change took place in the first few months of 2001 inevitably meant that there was a good deal of exploration and improvisation; and having agreed to support ONPE, DFID had to move fast to do what it had promised to do.

PAPE involved working with a coalition of state and civil society organisations; on the one hand with ONPE and the Ombudsman (Defensoria del Pueblo), both state institutions, and on the other with a number of established Peruvian NGOs with experience in working on electoral support in deprived areas. This sort of approach — helping to provide a bridge between state and civil society — was to become a hallmark of the DFID programme in Peru. But at this point it was something quite novel and untried. Under Fujimori (and before) the state tended to distrust NGOs, seeing them as at best unreliable and at worst subversive. NGOs were even more distrustful of the state, keenly aware of problems of cooptation. In practice, PAPE involved working more intensively with NGOs at a grass-roots level than with the state. As such, it could be construed as a “bottom-up” approach.

The results of PAPE were limited in terms of combating political exclusion, but it proved a useful exercise for DFID because it opened up a whole new area of contacts and working relationships. DFID was able to offer some of its own expertise in techniques for promoting participation. It was also able to use its presence to stimulate cooperation between NGOs, whose mutual relationships were frequently ones of rivalry and mistrust and whose efforts often duplicated one another. PAPE provided space for discussion between the participants over methods and objectives. DFID also contributed to the project by insisting on thorough evaluation of achievements and consideration of the lessons learnt, an insistence that was something new for many of DFID’s partners but which became standard practice in other programmes as time went on.

One of the most important lessons was the need to coordinate better between participants over basic aims. PAPE was more an alliance of separate institutional projects than a programme as such. Each participant tended to apply its own institutional methods and priorities without sufficient discussion of a common approach. One of the lessons therefore was (notwithstanding the very tight timetable involved) that approaches needed to be debated very thoroughly with partner institutions and common positions adopted. Another lesson was that it was difficult to reach the poor through this sort of activity. It was perhaps less “bottom-up” than it might have seemed. PAPE underlined the difficulties of promoting citizenship among the most disadvantaged. Most of those involved were local political leaders, members of local elites, and the gap between these

and local communities (especially in rural areas) was large. Methods therefore had to be devised to improve ties between local elites and rural communities.

Such lessons were to come in useful. Within just over 18 months, in November 2002, further nationwide elections were held this time for regional and municipal authorities. The intervening period saw a great deal of discussion over the best way to embark on a policy of decentralisation. There was also considerable experimentation with developing forums for dialogue and public participation (*mesas de concertación*) on a range of policy issues.

Box Three

Fernando Tuesta was appointed head of ONPE, the organisation in charge of administering elections in Peru in December 2000. He was one of Peru's best-known political scientists, but he was a newcomer to public administration. He faced the formidable task of organising fresh presidential elections in four months.

The first few months were extremely difficult. We had to organise clean elections and at the same time rebuild an institution that was morally bankrupt. We had to create a professional team. Portillo (his predecessor) considered organising elections as a technical exercise. We saw it as creating the instrument for political representation. ONPE is a kind of mid-wife. What's important is that the child is born well and with every chance of developing well. The previous government had sought to abstract itself from the world of parties and civil society, an arrogance that is unfortunately a strong trait of the bureaucratic tradition in Peru. It is a sort of disdain. I do not come from that administrative background, and I thought that ONPE had to relate to everyone.

In December 2001, I knocked on the door of the international community for help. Happily, a number of institutions responded with enthusiasm. DFID had similar views to my own, especially the link between electoral work and (relieving) poverty. This was a unique contribution, and one that interested us a lot. At the time, it was a rather different approach to that of the rest of the international community. It has been a special relationship since then. I felt we spoke the same language.

Supporting local elections (El Gol)

PAPE proved extremely useful for what came to be called “El Gol”. Formally named “In Support of Regional/Municipal Elections: In Favour of Pro-Poor Governance”, El Gol involved two steps. The first was a programme of short-term voter orientation for the local elections. This was somewhat similar to PAPE, with the emphasis on voters being encouraged to compare the programmes of different candidates and vote not as political “clients” but according to their own interests and convictions. DFID worked in a consortium of state and civil society organisations (some of which had taken part in PAPE and with which DFID had established relations of confidence). El Gol went much further in its scope than dealing just with voting procedures. It used voter rights as a springboard to highlight a number of other citizen rights and obligations.



Photo: Corinna Csáky

The main novelty of El Gol was that it involved a short programme of training and orientation for newly elected mayors. In retrospect, this was to prove more important than the first step in the way that future DFID programmes would develop. The mayors interviewed in the course of this study all pointed to the major problems they confronted on taking office (see Text Box Four). Sometimes it meant starting from scratch with an almost complete lack of administrative know-how and with often just fragmentary documentation left by their predecessors. Funding from El Gol helped provide important (if fairly minimal) levels of training to new authorities. This was made more urgent by changes in the law that obliged mayors to come up with proposals for budget participation within three months of taking office.

Box Four

Running municipalities: some lessons from Puno

Puno provides some interesting experiences, where mayors are seeking to forge a new relationship between state and society at the local level, whereby the interests of politically marginalised poor people are taken more into account. The provincial mayors of Carabaya and Sandia, **Michel Portier** and **Enrique Quilla** respectively, have both sought to introduce participatory budgeting and to direct a greater proportion of resources to rural areas where extreme poverty is concentrated. Both have received help from DFID programmes.

Portier recounts some of the difficulties he faced when he took office in 2002. *When you take office you do not have the mechanisms for opening up spaces for participation. Traditionally, the ethos is “the less information you give out, the less you will be questioned”. Also mayors lack the teams and capacity to supply information to people. Our experience, two years later, is that things are becoming a little more open. This is positive. We don’t have the same sort of conflicts as in other places. But you have to have both the political will and the technical support. You need both. Opposition councillors (regidores) are beginning to come round to the idea of participatory budgeting. They realise that ordinary people, especially at district level, welcome the chance to make their own decisions over what sort of public works projects should have priority.*

This experience is mirrored in neighbouring Sandia province, where **Quillca** says that he has been able gradually to win over his opponents to the new way of doing things whilst gradually shifting relations of political power at the local level.

In future there will be much more public interest in elections, especially in rural areas. Rural interests are now much more prominent at the provincial level. These are people who have never participated before. I expect to see even more participation after the 2006 elections. Candidates are going to have to be much more realistic and convincing in what they offer to do. Ordinary people are becoming much more discriminating. This is a lasting change. It will be difficult now to go back to a system without participation. To me, it seems good that decision making is becoming more democratic.

El Gol was therefore part of a learning curve that had begun with PAPE. Firstly, the approach was much more closely coordinated between the various entities involved. Rather than a coalition of partners, it was a joint programme in which the methods and aims were collectively agreed, resources pooled and public platforms hammered out in advance. It was also something of a landmark in state-society collaboration, historically conspicuous by its absence. Most of the institutions involved subsequently acknowledged that this sort of approach was much more equitable and beneficial to all, even though there were costs in terms of the amount of time that had to be devoted to internal discussion and debate.

Secondly, more effort went into working out ways in which poor people could be given greater voice in local politics, particularly with support for participatory planning and budgeting. Whereas PAPE had taken place all over the country, El Gol was more narrowly focused in areas with the highest indices of poverty and exclusion. It paid great emphasis to the need to break down the ties of clientelism that had traditionally defined municipal governance in favour of more open procedures that brought in and gave greater influence to the majority of poor voters. The thinking on this was much clearer and more explicit than with PAPE.

Lessons from El Gol: “how to” implement a rights-based approach (RBA)

Marfil Francke, Social Development Advisor, DFID Peru.

To support citizenship building

1. Development agencies must embed their support within ongoing democratic political processes, such as decentralization.
2. Donors should reach out to all stakeholders and key actors, in particular state institutions, the highest political decision-making levels, and community-based organizations, the poorest forgotten rural communities, and facilitate the dialogue between the two. Clear rules, expressly agreed by the parties, are useful to enable constructive dialogue and the building of horizontal relationships.
3. Multiple strategies are needed to stimulate changes in power relations in favour of the excluded and the poor, such as capacity building for citizenship, advocacy with solid and well-reasoned technical proposals, access to clear and transparent information and support for key government agencies reaching the excluded groups and meeting their obligations towards them.

To develop poor people’s capacities for becoming citizens

1. Elections are a good opportunity for citizenship education as they enhance the interest of common citizens in politics, the core sphere of decision-making that affects their present and future lives. Yet developing capacities for citizenship should be seen as a long-term process.
2. Multiple educational approaches are required, besides the use of local languages, to ensure that contents and messages reach excluded people. EL GOL partners:
 - took into account the oral tradition of illiterate communities and produced audiocassettes for group debates,
 - organised themselves into fairs and drama festivals on market days,
 - staged public forums between candidates and citizens,
 - facilitated training workshops based on participatory techniques,
 - produced flipcharts, leaflets, and other printed materials,
 - trained peasant leaders, both women and young men as facilitators and trainers,
 - recruited former mayors to provide technical assistance to newly elected authorities.
3. Candidates and newly elected authorities should be offered training in democratic participative styles of government, particularly in rural areas where leaders need

to acquire technical expertise specific to public office and de-learn non-democratic styles.

To establish horizontal relationships

1. Building horizontal relationships among stakeholders with different levels of power requires common will, transparency, time and resources. It should be included along the project cycle, from project inception.
2. Partners in a rights-based programme should be chosen for their positive attitudes towards partnerships as well as shared core values, rather than technically well-formulated projects.
3. Systematic coordination and steering committees help ensure good management and strengthen the legitimacy of programs that, due to their political nature, can create controversy and opposition.

For a rights-based management style

1. Providing funds for projects and safeguarding their good use is an important management responsibility for the sponsoring entity. It should also undertake a proactive, co-responsible role, supporting local partners by providing technical assistance if required.
2. Programme Management should foster relations of trust with and between partners, showing regard for their experience and openness to accept partner's priorities in the framework of projects, provided they are consistent with the overall institutional guidelines and core values.
3. Management instruments should be flexibly applied. Project documents to be regarded as guidelines for action, not as rigid protocols. Monitoring and mid-term reviews should be qualitative and seek to address the support to processes.
4. The donor agency should regard itself as another player and not as the owner of the ball. Like the rest of the partners, it should see the programme as an opportunity for learning, revise preconceptions, systematize the lessons and share them.

In short, *flexible, supporting styles of management* are needed for international cooperation agencies to build partnerships *and horizontal relations between actors with different power structures*, to ensure *strategies that can reach the poorest*, comprising of citizenship building and education, access to information by the poor, and advocacy to influence the decision makers **to support ongoing democratic processes and pro-poor political reforms.**

2.2 Sustaining participation and accountability

DFID's experiences in promoting greater local participation provide useful insights both to the conditions that favour continued change and obstacles to it. This section examines the local appropriation of participation and accountability mechanisms generated by the El Gol project.

In many of the districts included in El Gol, newly elected mayors set up their own systems of participation and oversight¹. Citizens were encouraged to take an active part in scrutinising municipal spending and management. In cases where participation has been successful, especially where there is an established history of participatory budgeting, it is possible to point to a self-reinforcing process whereby increased rights bring with them an increased sense of obligation among people with respect to the affairs of their community, especially with respect to the poor. Municipal spending in poor communities increased. Also, more open (and therefore less corrupt) government helped generate legitimacy, whilst less corruption meant there was more money available for social or other spending programmes.

However, experience in Peru shows that change in this direction is not unilinear and that it can easily be reversed. There have been several instances in which experiments in participation were short-lived because the mayor responsible for them was replaced by someone less committed to doing things differently. In Limatambo, one of the more emblematic cases of popular participation in local government, the replacement of Wilber Rozas as mayor led to a complete reversal in policy. This shows how difficult it can be to institutionalise new practices in a sphere where personalities count for a lot. The reform dynamic can therefore quite easily be lost. Local elites are capable of recovering power and influence, fashioning policy to their interests. Even where the reform impetus has persisted, it has frequently been very difficult to convince elites that pro-poor policies may have positive effects that work to their longer-term advantage. Furthermore, mayors have to work within the wider political system in which support for

¹ This experience is summarised in DFID – REMURPE's book "Democracia participativa en los Andes" (DFID, 2003).

devolution of power is often more rhetorical than real. Dependent for much of their income on transfers from above, whether from regional authorities or the national government, they are vulnerable to vertical pressures.

These difficulties in creating a self-sustaining dynamic of reform highlight the need for change at the local level to be supported at the national level. Here, the task of DFID and other actors was made more difficult by the lack of a consistent government policy with respect to decentralisation and municipal government. The draft 2003 Law of Municipalities was symptomatic of this problem, criticised by many civil society institutions for failing to provide a clear or coherent vision of the way forward or for distinguishing between different types of municipality (rural, urban or metropolitan).

In response to this DFID supported Calandria, a Lima-based NGO with considerable experience in media and lobbying work, to successfully include a separate section on rural municipalities in the final draft of the new law. Even though the subject of criticism, the law at least established a minimum benchmark for public participation in public investments (an area prone to much corruption) through Local/Regional Coordination Councils (CCL/Rs).

For DFID, the experience of engagement with the Law of Municipalities provided a useful starting point for developing relations further at the national level with congressmen interested in deepening the process of participation and decentralisation. This sort of national lobbying became increasingly important in DFID's work as it began to involve itself more in working with the formal political system.

The experience of trying to encourage greater local democracy and participation also highlights the need to take full advantage of the media in disseminating examples of good practice and the benefits for ordinary people. DFID has made efforts to share its experiences in the electoral sphere with a wider public. El Gol, for example, was followed up with the publication of a series of short books, distributed mainly among the development community. On a broader level, work with local radios — an important innovation with El Gol — helped spread the message about the importance of active public

participation in electoral processes. But probably more could and should be done to use the media to spread the message about local government reform and the impact it can have on reducing poverty and exclusion.

The experience with local governance in these years highlighted the need to maintain the momentum of reform in spite of sometimes strong countervailing pressures. Opportunities for engagement are sometimes fleeting and difficult to discern, and those opposed to reform are often well entrenched nationally or locally. Two key but connected lessons became clear from DFID's work. The first was the need to identify allies and to encourage them to work together in ways that respected their individual autonomy but promoted joint purpose and action. The second was the need for flexibility and an acute understanding of local political realities. Recognising which "windows" are open at different moments and how to exploit them to the full requires knowledge, skill and judgement. DFID's performance in Peru in these years depended a great deal on having locally recruited staff with a good understanding of how society and politics work at the local level.

Box Five

Ernesto Herrera is a congressman for the ruling Peru Posible party. He was for many years mayor of Ilo, where he helped pioneer the notion of participatory budgeting.

Participatory budgets are now standard. They help prioritise necessities on the basis of collective judgements in which no one is excluded. This helps greatly in constructing citizenship. The whole thing is still very incipient, but political parties are being obliged to put down markers that will help them focus on the idea of citizenship.

You need spaces for participation to create a collective spirit. You end up exercising rights as well as responsibilities. If you want something, then you have to be prepared to pay for it. Society is a coin with two sides: rights and responsibilities. Parties tend to focus just on one side. That's populism.

3. Identity: Establishing Rights to Inclusion

3.1 Obstacles to citizenship

No-one knows for sure how many Peruvians lack the basic documentation to claim their rights as citizens, but recent research suggests that as many as one million or more people of a total of 27.5 million Peruvians do not possess a National Identity Document (DNI). Without this document it is difficult to travel, to undertake any official transaction, or to claim access to basic social services such as healthcare and education. It is also impossible to vote. Although the numbers may be hard to quantify with precision, there is no doubt that there is a very strong correlation between *indocumentados* and those who are the poorest in Peru.

To achieve official documentation has long been part of a paper trail of official red tape (*tramites*) that reflects the authoritarian and bureaucratic tradition of government (Demus/DFID, 2004). But given the distance that separates the state from society in Peru, large numbers of people have never been able to meet the official requirements. To qualify for a DNI, a person must have a birth certificate, generally issued by a registrar at the local municipality. To have a birth certificate it is necessary to possess a certificate of live birth, issued by the health authority in the hospital where a baby is born. Until very recently, to acquire a DNI it was also necessary to present a *libreta militar*, a certificate of having completed (or having been absolved from completing) military service.

At almost all stages, the relevant authorities charge for these documents, often at rates that dissuade people acquiring them. For instance, many parents put off obtaining a birth certificate until this becomes absolutely necessary for a child to go to school. At the same time, given the geographical remoteness of many communities in Peru and the fact that many babies are not born in hospital, there are real physical and cultural impediments to people getting hold of the documents required. A sample survey carried out in 2003 suggested that nearly half the number of women in rural areas lack birth certificates.

3.2 The citizenship campaign

In partnership with Oxfam and in conjunction with a broad alliance of institutions, DFID has played a key role in launching a national campaign to draw attention to the scale and implications of the problem of *indocumentación*. It is what one of DFID's partners has termed a "neuralgic issue" which brings together a number of interlocking themes: development, democracy, poverty, participation, human rights, etc., on which action can bring important spin-offs in different directions at the same time. The ability to identify the "neuralgic" situations and to intervene accurately in them (a kind of institutional acupuncture) is an important goal in any strategy of change. Whilst other agencies were already tackling this issue in Peru, DFID's programme was the first to unite these interlocking themes within a broader agenda of citizenship rights and inclusion.

The problem of *indocumentación* has been identified through the activities of various DFID partners in previous years. The Truth and Reconciliation Commission, as well as the Ombudsman's Office, had identified it in those parts of the highlands affected by political violence in the 1980s and 1990s where many municipal registries were destroyed by Sendero Luminoso. The feminist



Photo: TeleAndes

NGO, Flora Tristan, found that it was a major obstacle to rural women in Cajamarca gaining land titles in their own name. UNICEF, too, drew attention to the problem of the lack of identity cards among minors. Similar problems were identified among jungle tribes in the Amazon, disabled people and prisoners. It is particularly a problem that affects women, and it is for this reason that a number of feminist groups are involved in it.

The DFID-Oxfam campaign on Identity is the first time the issue has been dealt with overall and in its own right. The campaign coalition, officially known as the Alliance for Citizen Rights (*Alianza por los derechos ciudadanos*), forms part of the Human Rights Programme (DID), financed by DFID and administered jointly with Oxfam. This alliance brought together 16 institutions from the state, NGOs and the donor community. The main objective of the campaign was to persuade the Ministry of Economy and Finance (MEF) to cover the running costs of the National Registry for Identification & Civil Status (RENIEC) from Treasury sources. It involved a strategy of lobbying, especially in Congress since the campaign was timed to coincide with debate of the 2005 budget. DFID's announced departure may have had the effect of galvanising the campaign, making it more urgent to make headway if one of the intended objectives — including large numbers of *indocumentados* as potential voters in the 2006 presidential, congressional, regional and municipal elections — was to be achieved. This was certainly one of the main concerns for ONPE, which saw exclusion as undermining the legitimacy of electoral outcomes.

The Identity programme had many attributes in its favour. As well as picking up on an issue that had very important implications for the extension of citizenship and citizen rights among the poorest in Peru, it had the advantages of being simple, non-ideological and focusing on a problem that was relatively inexpensive to remedy. Its simplicity lay in the precise and focused nature of the objectives it sought to achieve, at least as a first step in a wider strategy to tackle other aspects of bureaucratic exclusion. The fact that the issue spoke of an obvious source of injustice that no one could justify meant that it was non-confrontational and could command wide support. It was also an issue that might appeal to the multilateral banks, notably the World Bank and the IDB, for which identity was linked to the realisation of objectives in areas like land titling or improving access

to health and education. They might reasonably be persuaded to help resolve RENIEC's funding problems.

Box Six

Kim Delaney is Head of the Office of Democratic Initiatives of United States Agency for International Development (USAID), in Lima, Peru

DFID has been a leader in promoting donor coordination. Their experience in promoting donor coordination for assistance to the 2002 election process led to a lot of information sharing and joint activities, and this was very useful. As a core member of the governance group, DFID has helped provide a common agenda. We've learned a lot on how to work together more effectively. Sometimes it's harder than you would imagine. One successful example of working together was a donor-organized forum on decentralization. DFID helped conceptualise the forum, which brought together a large number of actors.

DFID's role on the identity document issue has been very helpful in bringing together groups of actors who wouldn't have come together otherwise. We've been asked to provide moral support for the coalition. This is different from other coalitions, which usually ask for financial support.

3.3 Lessons learned

The campaign on Identity will continue after DFID's departure from Peru through the activities of Oxfam. Once again it is grounded on DFID's strategy of seeking to build broad coalitions that involve a variety of interested actors. Such alliances are not always easy to forge or to sustain, particularly when they involve a large number of institutions. Some of the participants in Identidad had reservations about subsuming their own agendas to those of the wider coalition. Even in the best of circumstances, it takes time to build trust between partners, especially when these are new ones. Among some civil society organisations there were reservations expressed about working so closely with the state and international donors (see Text Box Seven). As well as the time and effort involved in developing

alliances, DFID's partners were also aware that there are asymmetries of power in the donor/recipient relationship that can come to a head at points of disagreement. To what extent are donors prepared to acquiesce with the majority view when they disagree with it?

Other potential difficulties also emerged. For foreign bilateral aid organisations like DFID, involvement in such domestic policy lobbying raised the problem of how far it was legitimate to go in seeking to influence domestic policy in pursuit of wider objectives. In the case of the Identity programme, the fact that a range of international donors was prepared to endorse the campaign and that it involved a wide array of local organisations reduced this problem significantly. International involvement added to the weight and political leverage of the coalition. Indeed, moral support was probably more significant than any financial contribution to what was essentially a very low-cost programme.

The Identity programme also once again highlighted the need for effective publicity work, especially with the media. The Peruvian media are not instinctively drawn to issues such as citizenship and rights. However, there are areas in the written press, as well as radio programmes, where access is possible and the impact can be substantial, not just in terms of lobbying but in informing those who lack identity documents of their rights. The media, if properly employed, can become an important agent of change.

Box Seven

NGOs attitudes towards working with DFID

DFID's work in Peru has involved substantial work with Peruvian and other NGOs. In some cases, the experience of working with an official bilateral donor has been a novel one. Here we cite some reactions from people working in NGOs in partnership with DFID.

Rocío Vargas, who previously headed up the Ombudsman's team in Ayacucho and now works with Oxfam GB.

DFID has made an important intellectual input. It has also pushed the notion of joint involvement around alliances for change. But they did not

come with a set of hard-and-fast concepts, and have given a lot of emphasis to lesson learning. There's an eye for the process as well as the results. But we had to spend a lot of time between ourselves and DFID in working out a modus operandi. Probably the fact that DFID is pulling out has given an impetus to setting things up for the future. It has been a far cry from the usual relations with donors: a cheque then quarterly reports. We think that institutional dependency is a bad thing, but DFID's attitude has not been one of trying to assume control. They have respected decisions reached collectively. Perhaps the most important thing is that DFID's contribution has given us weight, making it much easier to approach government and other big donors like USAID. It has been a relationship of independence and respect.

María Isabel Cedano, who heads up Demus, a feminist NGO that has been a participant in the Identidad project.

DFID focuses on participation and rights; we also focus on widening freedoms — especially for women. We have a feminist agenda and believe that this has to be included in any project on participation and rights. An important issue in our relationship with DFID is relating to the state. DFID takes care of its relations with the state, but how do you then denounce state agencies that do not fulfil their mandate? There is a problem of cooptation. When civil society works with the state, you have to ensure critical autonomy. You need to distinguish carefully whom you are working with, and if there is no change in mentality then you won't advance. We find it a problem when we are asked not to criticise too much, not to rock the boat. It's difficult to know how far you can go. In our relations with other, more traditional funders it's easier. But we value the debate and recognise that flexibility has to be based on political trust.

Martín Beaumont is the Peru programme head at Oxfam.

At the beginning DFID and Oxfam in Peru had different experiences, practices and views on how to maximize the benefit of our partnership. It took time for all of us to define and understand our expectations, direct and indirect, from this relationship. We invested a lot of time in it, especially at the beginning. But eventually, we were able to move beyond discussion around ways of working and get to the core of our work: promoting a rights-based approach to development. Now that DFID is moving out of the country, I recognise how fruitful the relationship with them has been, how positively they have influenced our practices and strategies. DFID is a challenging and valuable ally for a development organisation like Oxfam.

4. Working with Political Parties

The return to more democratic government in 2001 raised the question of how to make Peru's discredited political parties more effective as a bridge between the state and society. Since political parties play a unique role in representing the interests of society at the level of the state, as well as creating channels for governability at the level of society, what could be done to build a stronger party system? More specifically, what could be done to help Peru's parties better articulate the interests of the poorest? As we have seen, Peru's political parties did little to distinguish themselves during the 1980s, and became the victims of the backlash during the 1990s under Fujimori. If polls are to be believed (Latinobarómetro, 2004), Peruvian parties are even more discredited than the Latin American average.

Therefore, if Peru's parties were to assume the sort of role that democratic theory would have them do, a great deal needed to be done to turn them into organisations in which people could have a degree of confidence. This was recognised early on by a range of Peru's NGOs, international agencies and political party foundations.

DFID's thinking on political parties

For DFID, the question of working with political parties raised important issues. How to work politically, so that parties might give a voice to the poor and marginalised? Political parties clearly had a role to play here if they could be

made to provide more effective intermediation between society and the state, or between voters and government. However, the recent history of Peru's political parties hardly inspired confidence and, as a report commissioned by DFID from a number of top Peruvian social scientists emphasised, the elite (both political and economic) had never distinguished itself as a "driver of change" (DFID 2002).

Still, the Lima "spring" that followed Fujimori's hasty departure from the political scene (a rather English sort of spring) provided an important opportunity, and for DFID and others it was a question of *how* to respond to this unexpected set of circumstances, not *whether* to respond to them. Engagement with political parties became part of this response.

Internationally, DFID had been concerned about the way in which the consultations over poverty reduction strategies (PRSPs) in Low-Income Countries (LICs) tended to bypass formal political institutions. As we have seen, much of DFID's earlier work in Peru had focused on working with informal institutions and participation at the local level. It was with a view to complementing this that DFID appointed a Governance Advisor in 2002, with a strong grounding in democratic governance. One of his briefs was to examine ways of interacting with formally constituted political actors to encourage them to think of themselves as "drivers of change". At the same time, his job involved developing relations and engaging with a number of outside bilateral and multilateral actors to encourage these to think about the links between democracy-building, local development and poverty reduction.

DFID's strategy in support of party political change fell into two main categories. The first of these was involvement in moves to help redesign (or perhaps more accurately to design) the institutional and legal framework within which political parties operate. The second was to work with the parties themselves in helping them to interact and in nudging them towards thinking more about poverty and what to do about it. In both, the need to institutionalise a fluid and inchoate party system was seen as a priority. DFID sought to use this involvement with parties to test approaches and extract lessons on how best to work with parties on poverty reduction.

4.1 Reforming the party system

Peru in 2001 was one of the very few Latin American countries not to have a Law of Political Parties. Following the breakdown of the previous two decades, it was perhaps inevitable that attention would be devoted to establishing a system of incentives that would help establish and institutionalise a party system more responsive to voters than in the past. However, creating new ground rules for the political system required a degree of consensus that is often very difficult to build when parties are openly competing with one another for voter support and when politicians are directly affected by the decisions made.

In this sense, the Lima “spring” provided an unusual opportunity, because most party leaders acknowledged the need to create some permanent ground rules. The National Accord (*Acuerdo Nacional*) provided an important arena for

Box Eight

Rafael Roncagliolo is Executive Secretary of the National Accord. The Accord was established in 2002, but has antecedents that go back to 2000. It is a closed-door arena for negotiation between political parties and representative entities of civil society. Its agenda contains four key points: the consolidation of democratic government; the maintenance of a competitive economy; the quest for equity and social justice; and the establishment of a transparent and efficient State.

From the 1990s onwards, foreign aid agencies have given priority to clean elections and the promotion of economic reforms. A third area has been the strengthening of civil society. However, we have not had much success in reducing poverty or inequality. Since the change of government, more emphasis has gone towards supporting civil society and political parties. We have a dense civil society. There are some 3,000 NGOs. But people are increasingly unhappy with the workings of the political system. We believe firmly that there can be no democracy without parties. We therefore need a system of parties that is based on inclusion. DFID has been one of the few agencies that has understood the importance of having solid parties. It is a strategic issue in achieving social goals. Bit by bit, people are beginning to understand this, but DFID's work in this respect in Peru has been pioneering.

discussing these sorts of changes. It involved all the major political parties as well as key institutions in civil society and provided a “behind-closed-doors” forum in which party leaders could discuss frankly longer-term strategic objectives (see Text Box Eight).

The law of political parties

DFID’s main involvement in the drafting of a party law was to support and help bring together the state, NGOs and other communities interested in promoting such legislation. Among the prime movers in the non-state world were Transparencia, NDI and IDEA, all of which enjoyed good access to the parties via the National Accord. The main interested party at the state level was, once again, ONPE the electoral commission. DFID thus applied a strategy of fostering and supporting alliances for change. The first discussions held on this took place in February 2002; at which a number of invited political scientists expressed the view that reaching a consensus over party ground rules was a wholly unrealistic goal. Eight months later, in October 2002, there was an agreed draft. And by late 2003 the bill was finally approved unanimously by the plenary in Congress and promulgated by President Toledo. Its relatively smooth passage through Congress owed much to the personal support given to it by respected party leaders, especially Jorge del Castillo (from APRA) and Henry Pease (from Peru Posible). The degree of collaboration between NGOs and prominent politicians was something strikingly new and lent legitimacy to the new rules.

The overall logic of the new law was to encourage party consolidation, and it was partly for this reason that the larger parties in Congress were prepared to give it their blessing. It created certain barriers to entry into the political system that would make it harder for small, unrepresentative parties to gain access. It also set forth a number of obligations with respect to internal democracy and financial transparency.

This encouragement to boost internal democracy and financial transparency represented important advances in seeking to foster accountability and reduce political corruption. How parties finance themselves and their electoral campaigns, and what this implies when it comes to “pay-back” has always been an obscure area in Peru. As well as regulating party funding and seeking greater inclusion,

the Law of Political Parties helps parties to comply (by establishing accounting systems for example) and provides for oversight. Because of the connections with corruption, this is a sensitive area for the parties, and ultimately the oversight and enforcement mechanisms were relaxed somewhat to ensure passage of the law. It was also a sensitive area for a bilateral donor to become involved in. Nevertheless, DFID — with others, in particular SIDA — played a supportive role in the design of the new law and its unopposed passage.

Once the law had been adopted, however, the second challenge is to ensure it is actually implemented and complied with. In Peru, as in many other developing countries, laws are often ignored, circumvented or neutralised. Thus, DFID also was involved in helping the state electoral commission, ONPE, which acquired new responsibilities under the law, to set up an office for oversight of party funding as part of an overall re-engineering of the electoral commission to ensure that it becomes more institutionalised. Similarly, it helped, with others such as



Photo: SERVINDI

USAID, disseminate the contents of the law within political parties and the wider society, focusing on party members and activists in the regions (see below).

Electoral code

An important corollary to the party law was reform of the electoral code. In some respects, this was even more important than the party law. As with the party law, DFID — in conjunction with many of the same local partners — sought to use similar methods to produce legislative proposals to respond to key questions around the reform of the electoral system. For example, should Peru revert to the old bicameral system by bringing back the Senate? Should members of the armed forces be given votes? Should voting cease to be obligatory?

At the time of writing, these proposals were still in the form of a bill (*dictamen*), and it was by no means clear that this would be passed by Congress in time for the 2006 elections. The main problems were that the reforms involved complex constitutional amendments and that preparations for the next elections jeopardized political unanimity.

Lessons and results

It is difficult to evaluate these changes to the ground rules since they are so new and, in the case of the electoral code, have still to be legislated. Their effects will only become clear in the passage of time. However, there does appear to be a climate of change within Peru's major political parties. In the interviews conducted for this study with party leaders, it became clear that they think they are living on borrowed time, and that continuing to act as they have in the past is no longer an option. All stressed the importance of the party law in creating a set of agreed norms, but all underlined the limitations of a law in changing ingrained methods of conducting politics, in other words changing political culture.

The passage of the party law and the elaboration of electoral reforms thus represented an important advance towards setting legal benchmarks and creating a more institutionalised set of rules governing party activity. But it also shows a number of limiting factors. Firstly, there is the problem of a political culture that is not quickly responsive to changes in the law. Secondly, history has shown that

laws can be ignored or even repealed, especially if there is a reaction against them. Thirdly, for the momentum to be continued, a comprehensive vision is needed of what sort of political (or party) system is desired. Fourthly, the new rules beg the question of the role that will be played by the national authorities in policing the system and arbitrating disputes.

Box Nine

Voices of political leaders

Jorge del Castillo is the general secretary of APRA. He was previously mayor of Lima (1986-89). He played a leading role in steering the Law on Political Parties through Congress.

Transparencia, IDEA and NDI all played a critical role with respect to the law on political parties. We needed a neutral setting, away from Congress, in which to discuss the issues involved. These meetings had the virtue of being multi-party, and it helped us reach some basic points of consensus. It is much easier to work behind closed doors. These organisations facilitated and supported the dialogue that took place, and this model has influenced the way in which subsequent discussion has been conducted.

Javier Diez Canseco is head of the left-wing Partido Democratico Decentralista (PDD). He is one of Peru's longest serving congressmen, and has stood out as a champion of human rights.

The party system is in a big crisis. Old parties are beginning to die and there is a search for new forms of political organisation. People are tired of old forms of political leadership and their methods. Parties have been unable to separate out what is public and what is private. They have to stop behaving as if they owned public office. People no longer accept the old style.

4.2 Building party commitment to tackling poverty

In order to build deeper roots for party activity and in particular to encourage parties to assume a leading role in the fight against poverty, it is clearly not enough simply to assist in creating sets of incentives at the national level. The adoption of the Law on Political Parties provided a “window of opportunity” and it helped legitimise DFID’s engagement in the reform of the political system as a whole. Yet, DFID realised that while passage of the law was an achievement in itself, the main challenge lay in implementing it and ensuring parties adhere to its provisions. In conjunction with many of the same sets of partners, DFID sought to engage itself proactively with the parties themselves. This is again an unusual role for a bilateral donor, and not without risks. Still, one of the characteristics of Peru’s party political activity is a marked deficit of discussion and reflection both on the role and responsibilities of parties, as well as programmes in specific areas of policy.

Box Ten

Edmundo Jarquín is Head of the State, Governance and Civil Society Division of the Inter-America Development Bank (IDB) in Washington.

We have been particularly interested in issues of equitable taxation and the role that politics can play in poverty relief. These both loom large in DFID’s approach. The issue of political systems, and especially parties, is the geological fault line of the Latin American State. The level of political fragmentation in Latin America today makes it much harder to implement policy efficiently.

The other major lesson we derive from DFID’s experience in Peru is that when you don’t have much money, you have to be clear about what is really important. It makes you get to the heart of things. We believe that DFID’s experience highlights the need to create wide alliances of the groups and organisations involved. The government is by no means the sole interlocutor, and you have to work with formal as well as informal institutions. This helps create leverage. Bilateral donors often have much more flexibility than we have in identifying who you want to work with and to what end. This agility is very important.

In its work with political parties, DFID has contributed to and benefited from work being undertaken at the regional level, particularly at the IDB. In recent years, the IDB has taken a leading role in highlighting the importance of democracy for development (IDB, 2002) and poverty reduction in contexts of inequality (IDB 2004). DFID works with the IDB to help it better understand and appreciate the politics of reform in its own diagnosis work and lending operations (see Text Box Ten). A regional project on party strengthening in Central America has taken place, and a similar initiative covering the Andean countries was under way at the time of writing. The IDB has probably gone further than any multilateral organisation in acknowledging the importance of party politics for poverty reduction, and this forms part of the Bank's plans for state modernisation (IDB, 2003).

Supporting political party governance (Agora)

The Agora project — called after the market places of ancient Greek democracy where citizens discussed the affairs of the community — involved a series of meetings that brought together militants from a wide range of parties to discuss issues of joint concern on how to strengthen party governance. It sought to help create a “level playing field” between parties, especially in the regions, giving greater voice to local party activists, especially women and the young. It adopted a strictly multi-party approach, seeking thereby to promote dialogue and consensus. The idea of such forums was partly derived from the pre-electoral encounters between different parties that took place before the 2002 local elections under the auspices of PAPE.

Of the eight meetings that were held during the last six months of 2004, with support from DFID and UNDP, all took place outside Lima. DFID strongly emphasised the importance of using Agora to focus attention on the inclusiveness of political parties. The meetings therefore attracted a middle level of militants who do not normally take much part in the affairs of their parties nationally. The Agora project involved two different sorts of encounter: one between leading local party figures to discuss their ideas in front of members of the public; the second behind closed doors to explore areas of common interest. As well as breaking down mistrust between the parties, the idea of the Agora was to help local activists explore areas of consensus. As a delegate at the seventh Agora

workshop in Moquegua was heard to say, “never have we had all the people from all the parties together talking about policies”.

The Agora project also involved the holding of a region-wide seminar in May 2004, with assistance from the IDB, the Andean Community (CAN) and the UNDP. This too was a novelty. In Peru, as in most countries of Latin America, there is very little awareness of what is going on in neighbouring countries. Often the problems are quite similar, although their manifestations can take very different forms. There is much to be learnt in Peru by looking, for example, at what is going on in Bolivia or Ecuador. At the very least, Peruvians could take comfort in learning that they are not alone.

Engaging parties in poverty reduction

The second major area of interaction with political parties was carried out in conjunction with the US National Democratic Institute (NDI) through its local office in Lima. This involved inviting political parties to organise a series of events for their own membership on and around issues of poverty and social deprivation. Of all DFID’s programmes, this was probably the most explicit attempt to link party work with poverty issues. DFID left the direct interface with the parties themselves to NDI.

The initiative was premised on the observation that few of Peru’s political parties had anything approximating to a programme for reducing poverty. As often as not, responsibility for poverty reduction is considered a responsibility for government or NGOs, not for parties. The forums organised by DFID and NDI were therefore geared towards putting poverty issues at the heart of the party agenda for the 2006 elections. The underlying supposition here was that having a credible set proposals would add to the parties’ electoral appeal in a country where over half the voting population is officially classified as poor. In the past, parties have tended to be steered more by the interests of city-dwellers than by those of the poorest of the poor in rural areas.

For both DFID and NDI, maintaining a strictly independent stance was critical to the success of the project, even though some parties might seem to be more plausible allies in the fight against poverty than others. Most of the major

parties responded positively to the invitation, albeit with varying degrees of enthusiasm. They were given complete autonomy to organise these events how they chose, with the sole proviso that poverty was the issue to be discussed. The experience produced mixed results, as would be expected, with those parties who put most into the opportunity tending to get most out of it. One of the lessons learned was that it was essential to have one person within each party who was committed to the idea and prepared to devote the necessary time and energy to making it a success. The forums provided a base for further collaboration with parties, many of which were doubtful about getting involved at the outset. Once again, the longer-term impact will only be measurable once it becomes clear how party manifestos for 2006 pick up on the issues discussed.

Box Eleven

Lourdes Flores Nano is leader of the centre-right Unidad Nacional (UN) coalition. She was a presidential candidate in 2001. She has taken part in the three forums organised by the UN, with the help of the National Democratic Institute (NDI) and DFID, to discuss policies to reduce poverty.

When NDI came to us and said they wanted to foster debate about poverty, they were absolutely right to do so. This is agenda setting. We're focusing on the deeper issues. It has been extremely useful for us, working this way with a number of our mayors. After all, they are the people close to the people (...) Political parties should play an important role in preparing their own people. Parties should be like schools.

By way of conclusion to this section on working with parties, it is worth underlining the fact that there is a continued debate on the causal relationship between deepening representative democracy, changing relations of power and tackling poverty. Our survey of DFID's presence in Peru since 2000 suggests that greater political inclusion *can* lead to pro-poor outcomes, but it requires agency to make it happen. Political parties do have an interest in satisfying the needs of the poor majority, and the poor — given the chance — may vote for candidates who they think serve their interests best. In a memorandum to work colleagues

in DFID, Carlos Santiso (DFID's governance advisor in Lima) lists some of the situations that favour pro-poor change. He argues that there must be (i) parties that are institutionalised, with a strong element of internal democracy; (ii) they must be representative of poor constituencies; and (iii) work within a state system that is capable of defining and executing pro-poor policy.

Peru has a long way to go before such criteria are fully met. However, some changes have been made in the political system, and (perhaps more importantly) there is a growing awareness among political leaders that they have a direct responsibility for the future of democracy. Not only are parties seen as a crucial cog in the democratic machine, but also they provide the instrumental link between society and the state. Moves towards making parties more open, democratic and responsive to social ills are thus preconditions for them to assume their proper role, and in Peru DFID can take some credit for these. But given their past record and the scale of the task before them, we should be under no illusions about the size of the mountain that the parties have to climb.

Box Twelve

Carlos Santiso, Governance Adviser, DFID PERU

Democracy is failing the poor. The crisis of democracy in the Andes is reflected in growing disappointment in the functioning of democratic institutions and the quality of political representation. After two decades of democratisation and market reform, original expectations have yet to be fulfilled. Deep inequalities remain entrenched, considerable levels of poverty prevail, economic growth has been insufficient, and dissatisfaction with democracy has been growing, often with destabilising consequences. While democracy has spread widely across the region, its roots remain shallow.

A central lesson learned from our experience in Peru is that, to address the politics of reform, we ought to confront the reform of politics. Inequality and exclusion are political phenomena inasmuch as economic, reflected in the lack of accountability to the poor and the weakness of their political representation. Amartya Sen's definition of development as freedom captures the political dimensions of poverty.

Surprisingly, however, the promotion of democracy and the reduction of poverty agendas have tended to be pursued in parallel. What we have sought through small interventions is to make the democracy and poverty agendas converge. Democracy and poverty are inextricably linked. Poverty matters for democracy, as the scar of inequality and exclusion undermines the quality of democracy. Similarly, politics matter for poverty reduction, as the quality of political institutions critically influences the prospects for equitable development.

We have come to appreciate that the politics of reform is a critical determinant of the political feasibility of poverty reduction strategies. We increasingly acknowledge that political economy considerations are key to understanding policy reform and institutional development. However, our approach to the reform of politics remains ambivalent. Too often, policy is considered as a sphere of rational analysis, whereas politics is the sphere of irrationality. Politics is treated as a negative input into policy decision-making and therefore is considered as a risk to manage, circumvent or neutralise.

The feasibility of poverty reduction programmes rests heavily on political will to implement them. This requires that we do a better job at unpacking what we understand by “political will” (or lack thereof) to better assess the political feasibility of poverty reduction and the incentives shaping political systems. The policy cycle is intrinsically linked to the electoral cycle. Unequal societies are characterised by entrenched exclusionary modes of governance, and the use, abuse and misuse of the politics of poverty, that is populism.

Engaging with the reform of politics obliges us to cope with the uncertainty and volatility of politics. Indeed, democratisation itself is the institutionalisation of uncertainty, bound by an agreed-upon set of rules of the game. Political systems encompass the informal mechanisms and formal institutions of democratic governance along the continuum of political representation, namely elections, parties and parliaments.

We need to approach politics as an opportunity to be seized, identifying “windows of opportunity” but also accepting the intrinsic uncertainty of doing so, including the risk of failure. In turn, fluidity requires flexibility. The question then becomes how to do so. In the past few years in Peru we have tested several approaches to engage political parties on poverty reduction. We have learned about the importance of establishing clear guiding principles such as impartiality and transparency as part of a process of indirect engagement via political foundations. We have also learned that to maximise impact we need to work both at the structural level on the incentives shaping multiparty systems, as well as directly engaging political parties on poverty reduction. It is a challenging task, fraught with risks, but it is a critical one.

5. Lessons Learned

At the local level

- Reform is not unilinear, nor irreversible. Greater participation at the local level depends greatly on the individuals involved. Where there is little or no institutionality, personal contacts are key. This is a weakness.
- It is possible to set in motion a virtuous circle of reform, but this requires shifting the relations of power at the local level. Such changes in power relations are inherently difficult to achieve.
- Change at the local level is facilitated by change at the national level. A programme of reform therefore has to tackle both ends of the state-society spectrum.
- Reform has to engage not just local elites, but grass-roots communities. It is only by creating democratic spaces at the local level that new local leaders can emerge.
- Working with NGOs and civil society organisations at the local level provides an access to the grass roots. However, there is also a problem of capture by specific local interests at the expense of others.

At the national level

- There are moments of opportunity, and these are not always obvious. It requires skill and dexterity to make the most of these sometimes fleeting experiences.

- It is possible to create a more conducive situation for responding to poverty through changes to the legal framework, but changes in political culture can take much longer to achieve.
- Improving the incentives for political parties (what Santiso calls “the politics of reform”) is complementary with engaging parties on a multi-party basis on reform (“the reform of politics”), so long as this is done in a transparent and even-handed manner.
- Work with the media, publicising examples of good practice, is critically important to changing perceptions of what it is possible to achieve.
- Critical evaluation (lessons learned) is an absolute necessity before moving from one programme to another.
- It is important to prioritise those activities that have multiple spin-offs.
- Political parties can be engaged in pro-poor strategies, but there is a long road ahead in Peru before they assume this fully.
- Parties will become more responsive to pressures from the poor at the local level if they manage to become more internally democratic and less beholden to certain privileged interest groups.

CHAPTER III
SUPPORTING NETWORKS FOR
REALISING RIGHTS

FIONA WILSON



From a collection of paintings by rural communities, San Marcos Cultural Centre, Lima.

Collecting material for this book, it became clear that alliances with networks, just as much as alliances with institutions, have been of great importance for DFID in Peru. The agency has found it imperative to make alliances with Peruvian activists, form arenas of dialogue and negotiation, rely on supporting networks and create them, and be prepared to act politically. Not all has always gone according to plan. For addressing rights is a political stance, they have to be felt, fought for and learnt from continually.

Presented in this chapter are three rather different experiments with the practice of rights, two have been strongly linked to supporting networks, the other less so. Firstly, we shall consider DFID's work on realising rights to health; we shall then look at DFID's programme on human rights for the poor; and finally we shall examine work on participatory citizenship. Emphasis is put here on the conjunctures that brought DFID's projects into being, how arenas and networks operate, and what happened to their work on rights over time. But before doing that, a brief word on how the two key concepts, arenas of dialogue and negotiation and supporting networks, are to be understood in relationship to DFID in Peru.

1. Introducing Arenas and Networks

DFID is an important actor in a series of arenas and networks that are constituted at many different scales. One can start at the global level with the shift in aid discourse in the international aid community; the way issues of rights and citizenship have been put on the global agenda and entered public debate. Here DFID is recognized as one of very few bilateral donors to be taking a stand on rights. Moving downscale, we come to DFID as an organization and institutional arena. Two small country offices (in the Latin American periphery!) were able to pioneer a pro-poor, rights-based approach, “throw away the manual”, and share the experience with head office in London as to the appropriateness of its approach.

Then one comes to the DFID country office, the powerhouse in Peru where energies cohere. The DFID team has been constantly trying to make sense, translate and mediate between global debates on rights and citizenship, Lima politics, national situations and events in the Andean region. The office is the site from which DFID, the bridge-builder, engages with networks and constitutes arenas of dialogue. The office took a strategic decision (at the end of the Fujimori period) to work across the board, to broaden DFID’s networking and alliance building activities with the international community and NGOs, as well as with Government and civil society. By doing this DFID aimed to engage with and achieve an influencing position in several different arenas of dialogue and negotiation.

An arena is formed when a group of social actors comes together to negotiate a shared interpretation of the political context; the development problem to be addressed; activities, actions, and processes through which solutions are to be found; and products and impacts made. But while striving for coherence of vision and action, arenas are at the same time intensely political fields. Use of neutral, innocuous terms such as partnership, dialogue/debate, negotiation, bridge-building must not obscure the fact that highly politicised games are being played out, games which carry risks and penalties should negotiations break down, relations sour and things go wrong.

The importance of the concept arena is that one emphasises, first and foremost, the importance of dialogue and thus the need to translate and appropriate ideas about rights, the fight against inequality and for pro-poor development. By fostering processes of translation and appropriation not only are those involved in aid relationships better able to respond to complex, unpredictable situations, but also they are enabled to draw on a sense of agency and worth, a sense of their own commitment and empowerment (in the old sense of the term). Partners and co-workers in projects of participatory citizenship, like those sponsored by DFID, cannot be expected to carry out commands transmitted from higher echelons in an aid bureaucracy. Instead, there must be space whereby they can actively engage in deliberative and management processes so as to give to them their own flavour and political character. But for this to be coherent, they also need to share political commitment and vision.

The nature of the networks discussed here cannot be disassociated from Peru's recent political past. They correspond to groupings that represent a progressive political position, and have been formed outside of (usually in opposition to) the political culture of the formal, institutionalized political sphere. They have been concerned with working towards democratic and participatory alternatives to replace tarnished, out-moded authoritarian models and destructive confrontational political styles that still reign, especially in the Andes (see Text Box Thirteen). The strength of such networks lies in their being partly outside the system, yet committed to changing and reforming it along democratic lines. In the last year or so of Fujimori's authoritarian rule, DFID led the way in understanding the potential of such networks, giving them encouragement and support, and letting them take the lead.

But we should not fall into the trap of presenting networks as an “ideal”, for their defining characteristics can be seen as having both advantages and disadvantages over the longer run. In brief one can point to certain common features:

- First, members are strongly committed and hold similar political visions.
- Second, networks span institutions. We like to think of institutions as autonomous structures in which loyalties and political/cultural cohesion distinguishes insiders from outsiders. This is not necessarily the case when network members, by accident or design, are employed by different bodies, gain influence in different arenas and thus over-ride the structural and discursive division between state and society. Capturing bits of the state or fielding candidates for posts in local government can become a deliberate strategy of a network.
- Third, networks span localities. One may find astonishing mobility, a constant travelling to and forth between Lima and the regions. Not for nothing are some front-line workers called “golondrinas” (swallows).
- Fourth, connected with mobility is flexibility; networks respond more rapidly than institutions — in the short-run.
- Finally, networks have fuzzy edges; new groups and organizations can be taken on board.

But for networks to be sustainable and to act effectively as agents (even drivers) of change, they need to achieve some degree of institutionalization. Here the advantageous aspects of a foundational phase can later hamstring organizational development. This is where a donor agency can enter the picture as a sparring partner, help raise questions about organizational choice and force the pace of institutionalization. It is here where DFID is seen to have made a difference (as Text Box Thirteen makes clear).

Box Thirteen

Javier Torres, Director of SER

In rural areas local power groups challenge the state over the control of the scarce resources and to access political power, of fundamental importance in places with weak structures. The lack of citizenship rights in rural areas makes the situation even more contentious. Although the Constitution recognises universal rights for all, in practice there are no institutional checks to guarantee equality before the law. The effective exercise of rights depends on a person's socio-economic level, their greater or lesser access to the market, and the extent to which public authorities operate effectively. The poorer and more excluded the person, the more limited his/her citizenship. This type of exclusion is the result of attitudes held by Peru's élite who consider the Andean peasant farmer inferior — a view reflected in protectionist laws which limit the full exercise of rights, such as that of property, which greatly affects peasant farming communities.

The lack of a citizenship culture in rural areas leads more marginalized Peruvians to assume that political exclusion is a valid exchange for receiving state aid in its various forms. What one might call "the hacienda culture" clearly persists: it is a closed system, not easy to enter, in which power is concentrated around a small group, which, thanks to control over scarce resources (material and symbolic), dominates all those who are under its influence. This culture was strengthened by the social policies of Alberto Fujimori's government, and by the consequences of the internal armed conflict of 1980 to 1992.

SER looks for ways of overcoming this traditional political culture. We make a sustained effort to keep informed those citizens who have less capacity to be represented but who want to be part of the political or economic system. We have held educational campaigns on voting, on the reconstruction of memory in the areas hit by the internal armed conflict, and on the alternative mechanisms of safety, justice and land titling for community lands.

We feel that there is an urgent need for the state to act democratically and efficiently in services provision, especially in areas with a higher concentration of poor people. Hence we have given priority to the reform of the rural municipal councils through providing accompaniment to

municipal administration schemes coordinated in the regions of Puno, Ayacucho and Huancavelica.

DFID has been a decisive ally in our option to build a democratic state and full citizenship in Peru's poorest areas. DFID has not only contributed funds but also given us the chance to hold discussions with state authorities, civil society and international cooperation. It has also helped us to build recognition of the importance of cultural initiatives dealing with the aftermath of the internal armed conflict, and carry out research to help us to understand better the areas we work in. This partnership has been characterised by effective dialogue that has enabled us to carry out our own work, contribute to other DFID projects. Finally, we have greatly appreciated DFID's encouragement for creativity and independence, which is so needed in relations between international cooperation and local NGOs.

2. The Health Story: Realising Rights to Health

2.1 Health sector reform of the 1990s

The challenges facing Peru in the 1990s were immense. The armed conflict during the 1980s had shattered the health sector, particularly in the impoverished and war-torn Andes where health posts had been destroyed and health personnel had fled. By the early 1990s, only around 1,000 health facilities were functioning adequately, meaning that most of the population received very poor health care and about a quarter of Peru's population were without access to modern health care. Rebuilding the health sector was a pillar of Fujimori's post-conflict recovery programme. Heavily influenced by the reform programme put forward by the World Bank in its report of 1993, Fujimori sought to emphasise a supply-side approach to health sector reform. Financed by the Treasury, multilateral loans and substantial donor aid (including from DFID), some 7,000 health facilities were built, staffed and equipped. This brought health personnel for the first time out to some of the most remote and impoverished areas of the country. Much was made by the Government of its rapid and effective response and statistical evidence was marshalled to show measurable improvements. A supply-side focus seemed to be working. Peru was congratulated internationally for its success in certain areas.

The World Bank supported reform model involved more than building health posts. It also aimed at reducing the power of the state, in line with structural adjustment thinking. In the name of efficiency, service provision needed to be

contracted out and run by a new kind of manager, trained in public health management. It was in changing state-society relations that Bank dogma began to falter in Peru, and it did so for various reasons. On the one hand, talented young Peruvians who were sent for study abroad, on return concentrated their efforts on restoring the Ministry capacities, applying a techno-bureaucratic approach, which neglected the relations with society and its actors. On the other hand, curbing the power of the central state and taking seriously a decentralisation agenda both found few followers in Fujimori's increasingly authoritarian regime. Neither was the Ministry of Health much geared up to re-thinking health policy nor giving up centralized control.

Peru's health sector reform of the 1990s, nevertheless, did succeed in establishing at local community level an important new structure, the CLAS (Centros Locales de Administración de Salud), Local Centres of Health Administration. These were administrative bodies composed of some seven members including the local doctor or health worker and responsible for managing the health facility. CLAS were charged with drawing up health plans, negotiating with the Ministry, signing contracts and receiving funding. From being treated as "gods", doctors were now to be accountable to this body. Despite marked resistance to this part of the reform, CLAS were administering around one third of all health facilities by the end of the 1990s.

While the CLAS could be presented as an achievement, observers remained sceptical as to whether a more participatory approach to health management was actually taking place. After all, doctors as members of the medical profession had been socialized into believing that health was a scientific/technical matter in which they, the experts, knew best. Furthermore doctors, part of a white/mestizo elite, were accustomed to seeing themselves as innately superior to the poor, the *cholo*, the Indian. The claim of expertise and practice of racism intertwined. There was no reason to suppose that the existence of a new administrative structure would, of itself, change power relations. Rather, without support from higher up the system, the CLAS could simply reproduce existing practices of authority, privilege and exclusion.

Ultimately, despite the near decade of reforms, efforts to improve the health sector were "at best piecemeal" (Ewig 2003). The reform project itself had

lacked a comprehensive vision, and policies often conflicted with each other or with the overall stated goals of equity, efficiency and quality. Reform was driven by multiple political factors, and competing interests, but was increasingly characterized by an insulated mode of policy-making involving only internal members of the state bureaucracy. This style of working was arguably the root cause of the piecemeal nature of Peru's health reforms since it was often difficult to implement policies that had been generated behind closed doors.

In the late 1990s a health group was established supported by the Social and Economics Research Consortium (CIES), which began to undertake detailed evaluations of the health achievements claimed by the state. Members of this "think tank" included many holding post-graduate degrees and were employed in a range of institutions, including the Ministry of Health. Their findings were surprising for they undermined the country's carefully crafted position as leader in supply-side health reform. Low utilization rates characterized many health facilities, and infant, child and maternal mortality rates were distressingly high in many regions. The most disturbing statistic was that *still a quarter of Peru's population was without access to modern health facilities*. Despite the donor money coming in, coordination by Fujimori's Ministry of the Presidency and centrally orchestrated health planning by the Ministry of Health, many improvements during the 1990s were found to have been largely captured by the urban, middle classes. Whilst NGOs had received funding from the state and international community to provide health care for excluded communities, the resources were relatively limited. But why had the reporting biases not been brought to light earlier? Most probably, financial, and in some cases ideological, dependence on the state had blunted the critical faculties of many civil society organizations; NGOs had paid the price of co-optation in order to survive.

The critical views of the CIES health group began to rock the boat. The Ministry threatened to penalize employees who took part in CIES. When the Ministry of Health became more demonstratively opposed to any open debate in 1999/2000, the group concluded it needed to find independent institutional support, a protected space and vantage point from which to continue the analytical work and develop a political standpoint. The CIES group took stock of what donor agencies and other institutions had to offer and found DFID.

2.2 DFID's new approach to health

For DFID in Peru, support to health sector reform was central from the mid 1990s, delivered through projects overseen by a Health Field Manager. DFID won respect in Peru for it helped establish more informed policy dialogue, with projects focussed on sector reform, on human resource development, and on the provision of reproductive health services. Then in 2000, the goal, rationale and practice of DFID assistance to the health sector rapidly shifted.



Photo: El Comercio

A new combination of circumstances prompted a move from an emphasis on supply to one on demand. Four factors interplayed to bring this about.

First, the status of DFID's Peru office was changed in 2000, giving the country office much greater say in the choice and design of health programmes. Second, Fujimori's authoritarian regime increasingly provoked (some) donors to re-think their role and choice of partners. Political crisis shook up established relations with the state as well as well-worn assumptions about what was *the* development problem, thus helping destabilize the logic of supply-side health sector reform and opening the door to new alliances and imaginative thinking. Third, a new policy agenda had emerged within DFID, one that put citizenship and rights much more at the centre. This brought into play new discourses on health rights from the global arena, picking up especially on rights to sexual and reproductive health.

After the fall of Fujimori, DFID's strategy in Peru started shifting towards building up the country's political institutions so they could become more inclusive of, and responsive to, the country's poorest citizens. This gave a new strong overall sense of direction, and in the case of health in particular it would lead DFID to a new approach to health focused on *Improving the health of the poor*:

through a rights-based approach. Underpinning this approach were the strategies of DFID's policy paper on human rights, applied to the health sector in Peru:

1. *strengthening participation* to develop a greater understanding of Peru's cultural diversity and enhance participation in health policy decision-making and standard-setting;
2. *strengthening inclusion*: working with health care providers to support their efforts to respond to the health care priorities and needs of the poor and excluded;
3. *fulfilling obligations*: developing an understanding of international and national frameworks of conventions, laws and constitutional protections intended to provide Peru's citizenry with rights to health and health care; and assessment of the effectiveness of the current framework of health related rights.

The three factors — greater autonomy of the Peru office, the re-thinking of the donor role, and the introduction of a rights-based approach — were all important. Yet arguably, they would not have added up to much in practice had it not been for a fourth factor: a supporting network already in existence among health professionals in Peru.

Existing supportive networks

Of decisive importance was that trajectories of change within DFID intersected with analyses and actions of CIES and other groups working towards pro-poor health sector reform. This part of the story needs to be underlined for it is precisely this kind of alliance that gets brushed aside in development documentation that gives the (misleading) impression of aid practice as being technical and a-political. At the time that CIES was searching for a protected space and vantage point, DFID was looking for new allies. DFID was keen to support diagnostic studies and critical analyses as a preliminary step in formulating a programme to extend health to the poor and excluded. Reaching the DFID/CIES alliance, it is now impossible to say who recruited whom! Both discovered a mutuality of interest but each had to prove its points and convince the other that partnership would go beyond superficial veneer. However, seed funding to the group led to the emergence of innovative ideas. These could be carried further when in 2001 a Peruvian expert was appointed Social Sectors Adviser.

By allying with a supporting network already known to challenge official claims and formulating a rights-based approach to health which did not conform to existing Ministry of Health policy, DFID was engaging more politically and laying itself open to political risk. Yet to construct more inclusive, equitable health policies, it was essential that change take place both at central state and local levels. This was part of the logic of a rights-based approach. This could not be achieved by favouring one side or the other, nor by adopting a confrontational stance — a traditional mode of response to an overbearing, “aristocratic” state — but only through paying close attention to process and developing mechanisms for dialogue and consensus building. Hopes were high that this could be achieved during Paniagua’s transitional government, for civil society leaders were brought in by the Ministry of Health to help design a national health policy proposal. For DFID, it was important to establish *an arena of dialogue and negotiation at health sector level*, and this the agency set out to do in a reformulated health programme.

2.3 Constituting an arena of dialogue and negotiation

Central to the new DFID health programme was the idea that the many different groups could — and should — be brought to the same negotiating table. The plan was to carry out three projects that would be integrated into a single programme: to improve public services run by the Ministry of Health, and to defend citizens’ health rights through supporting both the Ombudsman’s Office and civil society organizations. These projects would demonstrate DFID’s resolve to work across the state-society divide. Involved was a breath-taking array of associates, ranging from large trans-national and national bureaucracies down to the CLAS of the local community. Debating, influencing, reflecting and relaying lessons learnt were to be the governing concepts.

But DFID had been over-ambitious and misguidedly chosen to downplay political dilemmas and differences among social actors involved. The attempt to negotiate the health programme through key institutions proved a learning process in itself. The process was time-consuming, became politically explosive and involved much tedious re-drafting and amending of texts. Finally, with the

announcement that the DFID Lima office would have to close by March 2005, the programme had to be severely curtailed. The current programme is a pared down version of the original programme: it is to run for 15 months (December 2003 to February 2005) instead of five years; involve two Andean departments (instead of four); and consist of only two projects, one on civil society implemented with CARE, and one on protecting the rights of the poor with the Ombudsman. The project with the Ministry of Health never got off the ground, because 15 months was deemed too short a time period for engaging with a Ministry for which the project represented a major challenge in its way of thinking.

Nurturing networks

Instead of describing the twists and turns of programme history, one can better illustrate its mode of operation by concentrating on key processes engendered. First, one can conceive of the programme as both a network in itself and a network-building endeavour; second, one can see programme networks as relaying a particular political perspective with regards to health rights policy, one that challenged the “official” view of the state. The first stressed linkage and exchange, backing up the idea of *arenas of dialogue and negotiation*. The second carried a risk of confrontation and breakdown of communication.

Let us look first at its networking form. Despite the apparently unwieldy number of institutions and organizations involved, there was greater underlying coherence than met the eye. The programme benefited greatly from this broad network where those responsible for implementation already shared a political project. This reflected not only coincidence of interests, but also DFID’s decision to “trust the locals” and be guided by their political judgements, interpretations and visions.

ForoSalud

DFID sought to strengthen networked organizational structures in order to enhance the involvement of civil society. Most importantly at national level, impetus was given to setting up ForoSalud (Health Forum) in 2002. ForoSalud is “a network of networks”, a national umbrella that offers a meeting place for many social actors from civil society (health associations, professionals, NGOs,



Photo: CARE

CBOs and CLAS), brought together to thrash out collective concerns, take stock of health policy and formulate alternative proposals to the Government's.

This experience highlighted some of the tensions contained within a rights-based approach. The forum encountered great difficulties in developing relations of trust and mutual respect with the Ministry of Health. The new civil society body was seen to be too outspokenly critical of Ministry policy and performance. This, in turn, tended to weaken internal cohesion and possibilities of achieving consensus among civil society organizations, for many different political agendas were found among members, and many depended on the state (and the international community) for survival. One important lesson learnt in this process was that working across the state-society divide could be much more tricky and full of tension than the rhetoric of the rights-based approach admitted. Success hinged on the political will found within the Ministry, but in a highly personalized, non-institutionalised culture, this could not be taken for granted.

Despite aspirations to be recognised as a national body, initially it was difficult for ForoSalud to escape identification as overwhelmingly Lima-based and intellectual. However, subsequently ForoSalud has given greater emphasis to decentralization and bringing regional networks into public policy dialogue. Health policy proposals are now received from a wide range of local health organizations. The prospects for ForoSalud brightened immeasurably in 2004, following the appointment of a Minister of Health committed to rights and keen to re-establish supportive, cordial relations with this important national organization of civil

Box Fourteen

Daniel Cotlear, Sectoral Leader of Human Development Department, World Bank

Over the last couple of years, the World Bank and DFID have both changed their style of working with respect to health. Originally, both of us put greatest emphasis on the supply of health services. Then at the Bank we shifted from supply to demand when we tried to give beneficiaries greater capacity to influence the results of health services. At the same time, DFID also altered its focus to emphasise the rights of beneficiaries. This has had a very good outcome and allowed us to work together on a number of issues.

In my view, there are three main areas in which our collaboration has been most positive. One is in clarifying what rights citizens have in relation to the public provision of health services. In the Bank we worked on this especially in relation to the package of integrated health benefits. DFID opened the door towards a better institutionalization of channels for claims and complaints by strengthening the work of the Ombudsman's Office; this was a useful complement. A second area where we work together is in giving voice to individuals and organized groups in society. DFID's support to ForoSalud has been extremely important and coincides with the World Bank's promotion of measures of transparency and greater access to information. In this, ForoSalud holds out great promise especially now that there is closer relations between the Ministries of Economy and Health. A third area worth mentioning is the empowering of beneficiaries when they take responsibility for the administration of health services. We have done this through the community management boards (CLAS), which has been a most innovative way of getting communities to participate.

I think that overall we have had a very positive relationship; although obviously, as you might expect, we have not always been in agreement. It has been easy to work with DFID as I believe we speak the same language. DFID's work parallels our own with respect to voice and empowerment, in that since both are linked to introducing new systems of governance. At times, DFID has had a greater degree of independence than the Bank with respect to relations with government. This has meant that DFID could be more insistent on certain issues. We have moved along parallel, but not identical, tracks. DFID and the Bank are now working on an important initiative on accountability in the social sectors. I believe this will give important results that hopefully will influence significantly the processes and debates in the run-up to the next elections.

society. With support from the Ministry, ForoSalud organized a National Health Conference attended by nearly 2000 delegates and presided over by the Minister where health policy proposals with a rights-based approach were presented and discussed.

DFID support to the organization of ForoSalud at its earliest stages was crucial. Underlying the concept of the forum was that a new constellation of social forces could be brought to bear to change public opinion, national health policy and health priorities in the international community. ForoSalud fills an important gap, and is fast gaining in organizational and political experience. Following DFID's lead, other agencies (USAID, Ford Foundation, Spain and European Community) began funding ForoSalud. From its beginning as a network, the forum now has the makings of a robust institution, one that represents — and fights for — open, democratic government, and one that is strong enough to prevail over countervailing forces.

Alternative networked thinking

Apart from this national network, DFID's health activities have been concerned with strengthening and extending networks at regional and local levels. Due to the closure of DFID's Peru office in March 2005, the shortened time horizon means that projects have had to be highly selective and focus on particular "pressure points" where a concentration of inputs can lead to the greatest ripple effects. This has underscored network thinking. To take two examples: DFID support has helped set up an International Diploma in Health Rights, with guiding inputs from the UK's Institute of Development Studies (IDS). This is the first such diploma to be offered by a Peruvian university, the University Cayetano Heredia, and was inaugurated in June 2004. Beyond developing a base level of capabilities on health rights issues, the programme will also facilitate the creation of networks among graduates who collectively stand a better chance of taking action and changing public attitudes over the medium-term.

The media have also been an important arena for DFID. In the past, the media have taken a narrow party political line and engaged in confrontational diatribe and muck-raking to bring down opponents. This presents serious obstacles to changing political culture and to opening up broader political debate. An

achievement of the health project has been to involve journalists (in Ayacucho and Huancavelica) in workshops that offer technical skills such as making radio dramas together with new analytical and political frameworks with respect to rights. Their popularity suggests a new sense of direction and responsibility on the part of journalists, key social actors who can spread information, influence public opinion, and help put health rights firmly on local political agendas.

2.4 Invigorating the state on rights

DFID's health programme promotes a particular vision of society through citizen rights to quality health care. This led the programme into complex political dilemmas, risks, tensions and paradoxes, and raises the question of the "right" of a donor agency to intervene in domestic political processes. What constitutes a legitimate course of action for a donor to adopt in a country characterised by the absence of institutionalised policies? In this, DFID would challenge official channels, and provoke reaction. This would illustrate a central ambiguity that arises when a donor espouses an interpretation of pro-poor development and a political direction that powerful members of a ruling elite discourage or reject. DFID contemplated close collaboration with two state bodies, but the state is no unified entity. While the Ombudsman was a "natural" ally, the Ministry of Health for much of the time was not.

Let us start in the Ombudsman's Office. Set up in 1996 as an autonomous constitutional body, the Ombudsman is mandated with defending and protecting individual and community rights, supervising the state's fulfilment of its administrative duties and ensuring that citizens have access to public services (see Text Box Fifteen). Most of the staff are lawyers and they have adopted legal traditions in their way of working, spending much time on individual cases of claims and complaints brought before it. Over its short life, the Office has broadened its perspective and interpretation of rights, moving from civil and political rights, in particular the rights of those affected by political violence, more recently to social rights, and taking prime responsibility for social vigilance (*vigilancia social*). On health rights, the Office had first taken a stand in denouncing human rights violations under the sterilization programme of the Ministry of Health in the latter 1990s.

Box Fifteen

Walter Albán, Director of the Ombudsman's Office

One of the main lessons learnt by the Ombudsman's Office is that rights violations are rooted in the manner in which public policies are designed. These public policies are inadequate for the task of tackling the conditions of exclusion and inequality prevailing in this country. This situation is a consequence of a widely held perception — by the state, by society, and even by the poor themselves — that the prime responsibility of the state for the poor is welfare. In this perspective, the poor are treated as marginal to the processes of development and citizenship in the country. State action takes the form of social assistance, oriented to poverty relief only. This is very limiting to the state's role as guarantor of the rights of the poor. So public policies tend to reproduce, and may even create, situations and processes of exclusion and inequality. This then affects how human rights among the poorest sectors can be enforced and makes them more difficult to defend.

Since 2002, DFID has collaborated in four projects with the Office. This has been throughout a relationship of cooperation and we have discovered a strong coincidence of views and strategies. This is demonstrated in our current project on institutional strengthening with respect to rights to health of the poorest sectors. The principle contributions have been investigations of the state's health policies and services from a rights perspective; systematization of experiences of the Ombudsman's defence of health rights; training of professionals from public institutions and civil society (including the International Diploma of Human Rights in Health); prioritization on zones of greatest poverty and exclusion; activities empowering social organizations; and strengthening research capacities and elaboration of technical proposals of the Ombudsman in the field of health.

With DFID, the Ombudsman's Office formulated a project to strengthen its capacities to monitor and evaluate Ministry of Health policies and government transparency and better protect the rights of the poor, i.e. women and men who would never dream of taking individual cases to an office in a departmental capital. But with its emphasis on the rights of the poor, the project challenged the way

the Office had worked hitherto. For it meant that traditional legal practice no longer sufficed. Changing concepts and ways of working within a government bureaucracy meant changing the mentality of its functionaries, always a painful and conflict-ridden process.

Through the health project, the Ombudsman office has been pressured to change its ways of conceiving and putting its responsibilities into practice, and not all functionaries agreed. Greater experience of democratic governance, accountability and transparency in protecting the rights of the poor should ensure the Office becomes a more robust public institution. One test will be whether the Office in future can become less dependent on donor funding (now running at about 40%).

DFID's relations with the Ministry of Health were another matter and went through some turbulent times. After the fall of Fujimori, hopes were raised that under the Toledo government constructive dialogue would be possible in relation to the health rights of the poor. DFID worked with the Ministry on the design of the new health rights programme and initially the proposal seemingly had the Ministry's support. But when it came to signing the project document, the Government was very slow in processing the paperwork. DFID pressed for a decision on the way forward but things only came to a head when President Toledo was about to travel to the UK and the Minister declared he was not prepared to back the programme on health rights, making it clear that he would prefer DFID to fund the Ministry directly so as to provide new health services. Many believe that the Minister was opposed to the programme because of its possible close association with sexual and reproductive health rights, which was seen as being in conflict with Catholic moral codes and belief, an issue on which Peruvian society remains deeply divided. This was certainly the angle given by the press when the news of the lack of agreement on the health rights programme was leaked to the press by one of DFID's civil society partners. DFID was learning that there were no easy answers to walking the talk on rights.

In the political maelstrom of contemporary Peru, DFID discovered that most members of the international community were not prepared to offer much support publicly for DFID's position and carried on "business as usual" with the

Ministry of Health. Reactions of the international community to DFID's stance were mixed. Some considered it overly interventionist; others were rather envious contrasting DFID's freedom to take a principled stand with the constraints suffered by the multilaterals (see Text Box Fourteen).

Following a reshuffle of the Cabinet in early 2004, the new Minister of Health has come out in favour of the DFID programme (see Text Box Sixteen). Signalling this new commitment, she invited Paul Hunt, the United Nations special rapporteur on the Right to Health, to visit Peru and evaluate the health and human rights situation in the country and she championed and took part in a DFID-organized workshop, with DFID support, on health rights held for senior Ministry officials. When delivering the keynote address, she took the opportunity to announce the start of a national crusade for achieving citizen rights and responsibilities in the field of health.

Box Sixteen

Pilar Mazzetti has been Minister of Health since January 2004, and is supportive of the rights agenda.

It has been a pleasure for the Ministry to work with DFID. It has enabled us to establish a closer, more direct link with civil society and with our own personnel, our directors and staff. These meetings have helped us to better organise ourselves. We have discovered a whole world of social rights and their importance, and have come face to face with the people who play the leading role in implementing these rights, that is, with civil society.

In the Ministry, we believe that it is precisely because we are a country with much inequality and poverty that we should be talking about rights especially rights associated with health. Everything is short-term in Latin America. For example, official positions are often short-lived. The only way to ensure continuity is for the people themselves to get involved and for that they need to know very well what are their rights and responsibilities. Thereby whatever changes are made to the managing team can be overcome by a correctly informed and participative civil society.

Box Seventeen

Victor Zamora Former DFID Social Sectors Adviser, now working for UNFPA
Peru

Scene One:

The Ombudsman's national meeting, Ancón, Lima. Two hundred officials from all over the country are meeting to plan activities for the coming year. This meeting, however, is unlike those of previous years. Now the Ombudsman is proposing to make strategic changes. The Ombudsman's Office enjoys widespread support among the population and is considered highly efficient in fulfilling its mission. In spite of this, the Ombudsman questions the role it plays in the lives of the very poor.

DFID's Human Rights for Health project was designed with the purpose of strengthening the Ombudsman's capacity for defending the right to health of the very poor. The project has helped to spark off this process of institutional questioning. There are two chief issues at stake:

- *The mandate of the Office: this is to watch over state compliance with its functions by monitoring and evaluating the implementation of public policies, but these policies normally reflect the interests and demands of those who have already made themselves heard, those who already possess identity, information, and power;*
- *The Office's ways of operating its organisation, strategy and instruments: these are designed to listen to and answer the complaints of citizens, but those that complain are mainly those who already have power.*

Today the Ombudsman is trying to respond to the following questions: Why change if we are highly regarded? What changes must be made in order for the Ombudsman to be useful to those who have neither voice, nor citizenship, nor information and who are socially and politically excluded? What can be done for the Ombudsman to take pro-active steps in defining public policies that incorporate the interests and demands of the poorest and most excluded men and women in Peru?

Scene Two:

Chiclayo, Lambayeque. The Minister of Health is launching the referendum on health in alliance with the Regional Government. The Health Ministry is the chief health service provider in Peru. Nevertheless, the poorest people in Peru have no access to their services. Since she was appointed, the new

Minister of Health has called for a campaign for the defence of citizens' rights and obligations. This has involved implementing transparency and accountability mechanisms, opening channels for the participation of civil society and establishing new alliances with those who speak for the poorest of the people. The word "rights" is now heard across the board in public declarations.

The minister however faces serious resistance, the strongest of these being those with de facto power: the professional bodies (mainly physicians), bureaucrats and the Roman Catholic Church. For one reason or another they all systematically refuse to allow citizens' participation in the design, implementation and evaluation of public health policy.

The questions arising today are: what instruments should be used to ensure the full exercise of the right to health?, how to provide ideas with content so that the concepts go beyond words to actions?, what alliances should be developed to counteract this iron opposition?

Scene Three:

Meeting of the Board of Directors of ForoSalud. Agenda: The strengthening of ForoSalud at local and regional level. ForoSalud is aware that the chief criticism it faces is that it is an organisation of "intellectual, urban people, from Lima's white middle-class" and it is increasing the opportunities it offers for local participation, so that the poorest sectors may have a real chance of having their opinions included within the public agenda.

Paradoxically, by speaking in the name of public health for the poor, ForoSalud have recently put themselves on the horns of a dilemma. Since they declared themselves in favour of the Emergency Oral Contraception pill and against the inclusion of generic drugs in the Free Trade Agreement negotiations — both of which have an enormous and beneficial impact for the health of the poorest people — some donors have now begun to consider them "too radical" and have therefore reduced or conditioned their support, thereby affecting ForoSalud's capacity to carry out its work at local level.

Developing the capacity to listen to the very poor and at the same time to influence public policy requires the mobilisation of considerable resources. How can they develop an agenda common to all their members? How to guarantee independence? How to avoid being co-opted? How to channel the voice of those who have no voice?

These pictures give an idea of the kind of work where DFID decided to make its interventions. They demonstrate innovative processes which, although only in their early stages, reflect a society that is able to change. They are processes marked by paradoxes, tensions and questions. There are more questions than answers. As they bring poverty and exclusion to the forefront of the debate, they lay bare a society characterised by political exclusion, hierarchies and unequal power relations. They are processes that cause us to question ourselves deeply as individuals, as organisations and in the way that we relate to each other.

3. Human Rights for the Poor

3.1 Establishing rights-based programming

Near the end of the Fujimori period, DFID started to design a large human rights programme in response to the political situation. The objective was to strengthen poor people's organising capacity to realize their rights and construct alliances to influence policy processes. DFID was keen to reach small grassroots organizations in the highlands and tropical lowlands. A broad view was taken of "rights" and the critical questions asked were: how did poor people interpret their rights, what did they see as barriers to their fulfillment, what strategies did they develop for their realization? At the time, the Human Rights for the Poor programme, later to be called DID (*Derechos, Inclusión y Desarrollo*), was highly innovative; behind it lay a vision of helping to transform clients who were seen as locked in the "culture of the hacienda" into rights-bearing citizens (see Text Box Thirteen).

To launch the programme, DFID needed to find partners who also thought in terms of a rights-based approach and with experience of working with communities in the Andes. At the initial stage, formal agreements had to be made and project and management structures in place in order to provide a framework in which arenas and networks could be formed. Through open competition, Oxfam GB was selected to co-organize the programme with DFID and some six local NGOs in the region were selected as partners on the frontline.

Gathering the team and getting the project idea moving took time. There were many teething problems, partly because it was difficult in practice to mesh the visions and experiences of many partners into a unified programme concentrating on rights. Although DFID made influencing and lesson-learning central, it proved difficult to find balance and coherence. One difficulty not foreseen at the start was that a succession of people would be involved in developing the programme, from initial design to detailed implementation. By the end of the first year, with considerable learning experience and alliance building behind them, the decision was taken to divide the programme into three related sub-programmes. Each of these aimed to link with and influence a particular socio-political process underway, in order to promote the inclusion of poor people's voices and strengthen the democratic forces within these processes. In each case different alliance building strategies and ways of influencing policies were devised in order to accommodate the levels of commitment of local actors, as well as the differing levels of political will amongst government agencies.

A central axis of DFID support had become how to broaden and deepen citizen participation in local government, a response to the decentralisation process and municipal reform taking place from 2002 onwards. The new DID sub-programmes encompassed, firstly, *Participa* which sought to extend knowledge of the participatory aspects of the decentralization law and citizen rights to excluded groups; and to support local governments to develop the capacities needed to be more inclusive and responsive to the poor. Secondly, *Memoria y Ciudadania* sought to continue to inform and debate the Report of the Truth and Reconciliation Commission in the poorest, most remote, peasant communities affected by the political violence; to support local governments to undertake small-scale and symbolic reparations by including these communities in the local participatory budget; and to develop local capacities for cultural expression and the elaboration of memory, to give voice to the poor in the making of history and the achievement of reconciliation following violent conflict. A third programme, *Identity*, which supported the right of access to identity documents and formal citizenship, has been dealt with in Chapter Two. In all three cases, a rights-based approach to development was followed, based on principles such as working in partnership for added impact; deploying and creating participatory methodologies to enhance the voice of the poor; and promoting the incentives for state-society dialogue, reflection, lesson learning and influencing.

3.2 Putting rights into practice

Nourishing the overall DID programme has been a DFID global pilot programme known as PRAMS, or Participatory Rights Assessment Methodologies. This programme, which was piloted in four countries, Romania, Zambia, Malawi and Peru, sought to ground an appreciation of rights and rights realisation in people's



Photo: OXFAM

own understanding and assessment of their rights and in their own strategies and actions to realize their rights.

In the case of Peru, DFID originally sought to develop participatory rights assessment methodologies through projects rooted in poor rural areas. For example, in the projects of electoral support DFID offered training to a group of NGOs in Ayacucho on a range of issues associated with participatory rural assessment techniques. These included time lines, community mapping and ranking methods. The NGOs, with their deep knowledge of local culture, were able to adapt these techniques to complex issues of electoral education and citizenship rights. A short while later the Truth and Reconciliation Commission began investigating rights violations associated with the civil conflict, and (1980 - 1995). Some of these same NGOs were able to assist in the reconstruction of collective memory, and in creating commitment to the reparation and conciliation process through the use of these newly developed participatory techniques (Electoral support is dealt with in more detail in Chapter Two).

These initial experiences helped DFID and its partners to rethink further about how to develop PRAMS within the DID - Human Rights for the Poor Programme. A wide range of local development organisations working in the rural highlands were consulted to determine their interest and capacity in participatory methodologies. The results showed how a heritage of popular education practices during the 1970s, inspired by Freire amongst others, had left a lasting impression on many of the NGOs and community based organisations

who continued to use some of the techniques. As a result, instead of offering training on participatory techniques as a starting point for PRAMS, DFID asked its partner NGOs from the *Participa* programme to prepare their own proposals on how to develop experiences of rights assessment and how to implement strategies to realise rights.

In particular, three local NGOs, submitted ground-breaking proposals. These were Adeas Qullana of Cusco, Care-Puno and CEDAP of Ayacucho. Each developed its own action plan and each selected three community groups to take part. Selection was made on the basis of organizational capacity and preparedness to identify and analyze situations in terms of rights and to propose initiatives for change. The local NGOs ran workshops and meetings in which interpretations of rights and actions could emerge. Periodically the NGOs and local organizations met together to exchange and systematize experiences and analyze methodologies for subsequent phases.

There is nothing rigid about the application of PRAMS, and the three NGOs have applied the approach in very different ways. However, PRAMS has helped frame and legitimize a particular way of seeing and working. It provides a ground plan from which to relate and compare experiences by NGOs and grassroots organizations alike. It levels the terrain for more horizontal relationships between NGOs and CBOs, bringing the issues of horizontal accountability into their debates. CEDAP, for example, holds self-diagnostic workshops to promote collective reflection on a group's interpretation of rights to health, education and development. Also discussed is the assessment of responsibilities of duty bearers. The use of socio-dramas to highlight understanding of rights, barriers to change and strategies for action that take inspiration from the complexities of everyday life have been very popular.

But there was another side to the coin. As local NGOs experience, when you take rights seriously you make enemies. Those in power are bound to react. Taking a rights-based approach is neither an abstract nor an easy matter. As Heraclio Lujan Loayza (CEDAP) commented:

It was fine when our NGO was working with the people constructing public works. You got a road or a building, something tangible at the end of it. People were very happy and they wanted to celebrate with you. But it is quite different when you work with rights, for you must expect to make enemies all round. However, at the same time you know you are doing something much more important by shaking up and changing the power structures.

For Care-Puno, PRAMS has been a valuable methodological component to “add on” when the focus of an organization is on something else. This is exemplified by the case of Aprodel (Dairy Producers Association of Melgar). The focus is on dairying, especially on how to improve production and rural incomes. However, now “human rights and citizenship” has been accepted as one of the main axes guiding the organization. As Maritza Mendoza of Care-Puno says (see Text Box Eighteen), for Aprodel the way towards rights was via the cow!

Box Eighteen

Maritza Mendoza, works with CARE – Puno and participates in PRAMS. In an interview in Ayacucho (September 2004), she explored her views:

Rights have to form an integral part of people’s lives; if you do not know what your rights are then how can you make them your own? But who has citizenship rights? Many in the countryside think they are only for the people who live in the towns, only for the “politicos” and “authorities”. Rights simply do not exist for the peasants, least of all for those who were affected by the violence. During the years of armed conflict, the organizations did not dare to talk of rights.

Since then we have made progress. Take Aprodel, the dairy producers association of the province of Melgar, for example, which is taking part in the PRAMS. We get to citizenship rights by way of the cow! People in the association are trying to improve their living conditions by working in dairying; everybody is interested in improving their knowledge of production. Leaders and workers, women and men, are all keen to attend capacity-building workshops. This is what brings people together. Then, we take advantage of the space opened up by “the cow” to get people thinking about rights. In Aprodel, it has been important to get the authorities

(Governor, police, judge) involved in the association. In the past when they attended events, they all sat up front, for they expected to be given places of honour. Now we insist they sit together with the people, that they mix with the ordinary members. In this way we break down the accepted differences of our society. Of course some people must hold positions of authority, but that should not mean there is deep inequality. People want things to change.

3.3 Local appropriation of global concepts

Debates at the PRAMS encounters beg central questions about the translating and appropriation of broad, global concepts — in this case, citizenship and rights. This demands building bridges across the Quechua-Spanish linguistic and cultural divide. The encounter brought together organizations whose representatives preferred to express themselves in Quechua. And this presents a more intricate and complex situation than any aid manual can deal with. Of course, far more is at stake than language, but it helps to start there. Initially, the bulk of the discussion took place in Spanish, with the premise that everyone present is able to understand. Yet for the poorest people, Spanish is not just a second language, it is a language reserved for certain kinds of dealings and relationships; formerly with patrons, now with the state and development agencies. This version of Spanish, in comparison to Quechua, is flat; people are adept at employing Spanish as a formal way of speaking and include the concepts of international development assistance in their vocabulary.

In subsequent meetings, an increasing number of participants preferred to talk in Quechua. From the rough translations one got an impression of a different, much richer, use of image and metaphor. It is at this level that the language of rights gets translated. For there is no direct linguistic equivalent of “derechos” (rights) in Quechua. Instead, one has to search to translate equivalent meanings, such as the Quechua equivalent of “a lo que me corresponde” (that which is due to me) or “lo propio” (one’s own). The cultural/linguistic divide helps demarcate an important juncture where translation of meaning, not just translation of word,

takes place. Efforts at translating from Spanish to Quechua do not often get carried back from Quechua to Spanish. As a result, capacitation is still primarily a top-down exercise.

Rights may be universal, but they are approached and apprehended in culturally distinct ways and attention must be paid to listening to what they mean. Only through cultural “translation” can rights be made a political cause and spur to action. Only then can they underpin claims and demands for expression and organization so that Quechua speakers can make their own way and enter (if they wish) white-mestizo-national society on their own, Andean, terms.

The realisation or denial of rights is an expression of power relationships. The process by which poor excluded people translate and become owners of (appropriate) their human rights and start behaving as citizens can be seen as menacing by some others. Conflict, in some form, is inevitable. Developing the framework and building capacities for the peaceful but equitable resolution of difference is an essential task in these circumstances.

4. Building Participatory Citizenship

4.1 Background to social assistance programmes

Fujimori's government was highly centralised and vertical, prioritising short-term efficiency, and votes for himself, over longer-term institutions, governance and rights. His social welfare programmes epitomised this approach. The two main programmes were FONCODES (National Fund for Compensation and Social Development) putting in social and economic infrastructure, and PRONAA (National Food Aid Programme), handing out food. These were delivered under the Ministry of the Presidency, straight to communities, with minimal links to line ministries, or to local government. The two main programmes were complemented with a myriad of uncoordinated small programmes, which maximised the scope for political patronage.

Although the main programmes got good marks for outreach to some of the poorest parts of the country, and for the efficiency with which they spent, less evident was any lasting impact on poverty. An official from one of the multilateral banks lending the money for the programmes, also got into trouble for showing the programmes were being used for political ends. Least of all were the welfare beneficiaries treated as rights-bearing citizens (see Text Box Fifteen: comments from the Ombudsman).

Toledo was elected on a broad platform to decentralise government: this was high on the electorate's demands in the regions, fed up with distant government

in Lima. He was also expected to do something about cleaning up government spending, especially in the social assistance programmes, which had picked up this bad image of anti-democratic political patronage. The two reforms were to merge when the social assistance programmes were included in the first wave of responsibilities to be devolved from central to local government under the 2002 Decentralisation Framework Law.

Implementation of the reforms however was to prove far from a steady and coherent course. On paper, some of the decentralisation legislation is among the most progressive in Latin America, with its strong emphasis on citizens participation. Yet the political will to see into implementation these innovative participatory measures has often been weak and wavering. Political parties have not been prime movers, nor in a country that has suffered years of political violence and authoritarianism, has a broad based social movement emerged to demand participatory citizenship. It has fallen on groups in civil society and a small group of newly elected Congress representatives to keep pushing for this democratic change. The aim is to make local government more modern and participatory, to find ways of challenging and changing authoritarian political culture so that citizens can openly engage in developing plans of action, making priorities between competing claims in participatory budgets and keeping a watch (through “vigilancia social”) on public bodies and how budgets are spent.

Equally, implementation of the decentralisation of the welfare programmes has been halting, faced with the counter-pull of those who wish to maintain more centralised control and power, and alarmingly vague, lacking in clear guidance on how municipalities can ensure greater citizen participation, as well as shoulder their extra responsibilities for administering the social programmes.

4.2 From welfarism to active citizenship

DFID’s first association with the reform of the social assistance programmes was when Toledo appointed a new group of professionals, representatives of progressive civil society during the Fujimori regime, to head up the social sector portfolios. These included a Peruvian economist, who had previously consulted for DFID, as the new Head of FONCODES, who was also put in charge of

pulling together the rural component of Toledo's election pledge to generate jobs.

Here again DFID and a network of reforming professionals found each other, committed to a common set of objectives: an improved social protection system, organised and managed with full respect for citizens rights. DFID agreed to provide support for the *A Trabajar* rural jobs generation programme, but linked to reforms in the organisation and management of the FONCODES programme. The programme had only just got underway when regrettably for DFID, the Head of FONCODES was replaced after only nine months in his job, and his replacement was less committed to the reform of the institution. The network of reforming professionals within government unravelled, leaving DFID much less connected to reform opportunities in the state.

But DFID support for the reforms continued as best as possible, encouraged by government administrative changes, which closed down the Ministry of the Presidency and brought FONCODES more firmly under the direction of a new Ministry, MIMDES, the Ministry of Women and Social Development.

At the same time, through the decentralization law, the decision was firmed up to transfer the social programmes into the hands of local government. This permitted DFID to consolidate an alliance with a new network, one that had been championing and assisting experiments with municipal reform to promote participatory local governance (the Peru Network for Dialogue and Local Development – “Red Perú”). In collaboration with MIMDES, a follow up phase to the reformed management of the social assistance programmes was developed, which became known as “Fortalece”.

The guiding vision behind Fortalece is that the social programmes FONCODES and PRONAA will lose their strong association with welfarism (*asistencialismo*) and focus instead on developing capacities. Its aims are to test out and promote the new municipal management of social assistance programmes, propose new norms and regulations for this management, build capacity among local government officials and community leaders and disseminate lessons learnt especially to the international community. Fortalece was only to run for just over

a year, from late 2003 to the end of 2004. Given the short time horizon, Fortalece decided to concentrate attention on a few progressive municipalities in Puno, Apurímac and Huancavelica, and built on the vast network of organizations and contacts already developed by “Red Perú”.

Project Fortalece is an innovative example of how a civil society network becomes an integral part of a DFID project. While a small task force of field workers is attached to selected municipalities to help consolidate processes of participatory change, great emphasis is placed on mobility and flexibility, face to face dialogue, and personal webs of contact and information exchange. Making do with limited physical infrastructure in the region, the project can respond rapidly, see new opportunities as they emerge, trouble-shoot, know where “pressure points” are to be found, and concentrate resources in places where the impact can be greatest — in the short run. However, there is a danger that the project gets pulled in many directions. For issues raised by the decentralization of social programmes, citizen participation and modernization of local government are multi-faceted and all-embracing. Nor can the demands made on forward-looking municipal government always mesh.

The project has had to work within and adapt to confusing and contradictory policy and political environments. Appropriate management models at municipal level have to reflect and mediate the contours and signals sent out on national policy. But they must at the same time be sensitive to local conditions, where heavy-handed “municipalismo” (an undue emphasis on state-authorized local government) can threaten to over-ride and submerge other autochthonous forms of organization in the Andean region, most especially the peasant/indigenous community. As Wilber Rozas comments (see Text Box Nineteen), successful experiences in participatory citizenship must demonstrate “how inclusion can take place, while at the same time ensuring respect for people’s culture and ways of organising”.

Box Nineteen

Wilber Rozas is the National Coordinator of *REMURPE* (Red de Municipalidades Rurales del Perú), a network of rural municipalities of Peru. While Mayor of district Limatambo (department of Cusco), he became widely known for pioneering participatory municipal reform. He is now Mayor of Anta, a province close to Cusco.

One of the main problems hindering the inclusion of the rural poor as citizens is the lack of political will of the authorities at different levels to change the situation. But we should also mention other elements, the lack of information about democratic processes of inclusion through which citizens can exercise their rights; and lack of engagement of the political parties due in some cases to an elitist conception of politics, and in others to organizational weakness. Finally, there is lack of clarity in the public debate since this is not being informed by the successful experiences that exist demonstrating how inclusion can take place while at the same time ensuring respect for people's culture and ways of organising. REMURPE seeks to intervene in public policy debates, and in this way work to sustain the good experiences. REMURPE has allied with DFID in developing common actions: establishing arenas of discussion, systematizations of experience, publications and transfer of methodologies to bring about greater citizen participation.

Achievements of Fortalece in practice

Project Fortalece puts great energy into dialogue, learning and information exchange at the local level. There are many aspects and many local arenas formed. Just a flavour of these can be illustrated by the following vignettes:

a) Supporting a new role for the Mayor

A younger generation is coming to the forefront of local municipal politics (see Text Box Twenty). They stand for office and some are elected Mayor. As recounted by the Mayor of Curahuasi, many have a different vision of their

responsibilities and role compared to the “authorities” of the past, and they look to Fortalece for encouragement, assistance and constructive debate. The young mayors may make greater efforts to build bridges between municipal government and civil society, strive for greater communication with the outside world (through supporting the local media and “virtual” libraries) and involve the rural population on more equal terms in the life of the municipality. Most tellingly in the case of Curahuasi, there is a general understanding that while the epithet/label of “poverty” is unavoidable given the language of development, it becomes extremely damaging when working with rights, for it emphasizes lack, passivity and ignorance. Thus a move of symbolic importance in the municipality was to scrap the “mapa de pobreza” (poverty map) and replace it with a “mapa de riqueza” (wealth map).

Box Twenty

Voices from the local municipalities

Efraín Loayza Rojas is Mayor of Chilcas, a district in La Mar, Ayacucho, that formed part of DID. Representatives of organizations in the PRAMS pilot project (from Puno, Cusco, Ayacucho) visited Chilcas (in September 2004) to discuss their experiences with citizen participation. The following are points from the Mayor’s speech on that occasion.

When I took office last year, the civil society organizations were at their lowest ebb. There had been suspicion on both sides, between the municipality and civil society. Traditionally, it was the Mayor who considered himself owner of the municipality, now the people are the real owners! In post-conflict Peru, one of the tasks of the municipality is to strengthen grassroots organizations. In Chilcas, we have an Assembly of delegates from civil society (ADOSCI) — a body with representatives from 33 different organizations. In forming it, we went way beyond the legal requirements for decentralization. Some of the organizations send their most humble members to meetings so they can learn. The task of this assembly is to inspire people about collective projects, oversee public institutions, and claim rights for the people. In our fight against poverty, we say in Quechua that we are “throwing out poverty”, like you do when you throw rubbish out of the house during a spring clean.

Julio Luna Mansilla is Mayor of Curahuasi, a district in the province of Abancay, Apurímac. With the Frente Independiente de la Juventud (FIJA) he campaigned for office in opposition to the traditional political elite — and won. Fortalece is working with the municipality. More than 80% of the district population live in the rural areas where there are around 40 peasant/indigenous communities.

Our aim is to improve local government through citizen participation; to do this, our proposal is that we strengthen the capacity of local actors (leaders, organizations, citizens), induce greater and better participation in different spaces of dialogue and decision-making based on the principle of endogenous development, and actively confront the problem of exclusion in civil society. We work as a family, as a team. Here we have a strong civil society acting together with its Mayor. We want to get out of the grip of party politics so that everybody has a chance of working with the Municipality.

In arriving at the development plan and participatory budget, it is important to have direct contact between the urban and rural zones. As Mayor, you have to visit the rural communities personally, to see for yourself, for we in the town do not know their reality. In many municipalities, there is not enough trust for this to happen. Here, I travel in the district for weeks at a time, for it takes a couple of days on horseback to reach the distant communities. Then I can see what problems they face; and what the communities need, especially with respect to their rights to education and health.

b) Forming new networks

Fortalece strives to leave a mark, not only through proposals, texts, and teaching manuals but also by stimulating the formation of networks amongst those it has capacitated. One example is the “Red de Facilitadores de Apurímac” (Network of facilitators of Apurímac). This brings together members from the seven provinces of Apurímac and is composed of university-educated professionals working in local government, NGOs and the university. The network originated at one of the workshops held by Fortalece. Workshops and networks set out to

strengthen professional capacities and personal engagement in the reform process, and offer a space of encounter where members can reflect on personal experience. As a founding group of Red Apurímac (three young women) agreed:

Before there was no space where we could question or debate. The old authorities made sure they filled up whatever space there was with formality, meaningless rhetoric and machista display. If we tried to express our own opinions and these were questioning or critical, then we were dismissed as griping and whining. Now we have a common idea as to what processes of change we want to introduce.

The contribution of Fortalece

Fortalece is both a network of committed activists and a short-term DFID-MIMDES project. Generally there seems to be mutuality and coherence between the two on most matters, although one can detect a “double vision”. While Fortalece is concerned with the devolution of the social programmes, the supporting network takes a broader view, and works with the overall modernization and democratization of local government. But big questions remain. Can successful experiences from relatively few progressive municipalities (less than 100 out of 1800 district municipalities) be spread to others and to what extent is the spread dependent on the activities of like-minded social actors associated with supporting networks? What lessons can be drawn for potential supporting institutions and the international community?

The progress made towards institutionalization and sustainability is uncertain. Project members have drafted a great many proposals as to improvements to local government management; this represents an important body of work. But the current challenge is how a greater institutionalization of these products might be achieved; how they can “live” beyond the duration of the project. A similar point can be made about the capacity building of leaders and others participating in local government. This has knock-on effects. Unless the project can carry forward its experiences and lessons learnt, then it is less able to inform and inspire others.

Box Twenty-one

Marfil Francke, Social Development Advisor, DFID Peru

Poverty and exclusion in post-colonial societies are not simply a matter of the lack of material resources, insecure livelihoods or extreme vulnerability. They are also to do with subordinated and fragmented ancestral cultures, with identities full of shame, with internalised paternalism and authoritarianism. They are to do with a multiplicity of practices and institutions that work together to subtly perpetuate and suppress discourses that defend the values of democracy and the universal nature of human rights. By the same token, the strategy for reversing poverty and exclusion must also be multi-dimensional, complex, able to appeal to the explicit and visible elements of inequality and discrimination, and to the subtle and invisible behaviour and beliefs which make it tolerable, resistant to change, and “natural”.

Those who suffer poverty do not discover their rights and make them their own through information, debate and organisation alone. To become actors, excluded populations need to become part of significant political processes. It is through taking part in real political processes, not in the artificial laboratories of traditional development projects, where the excluded can learn to make themselves heard and also to listen to others, to speak in the language of hegemony, to use its terms and from there, to try to change the terms of the debate. The inclusion and participation of the excluded on equal terms also involves a change in others, in ourselves, we who have “arrived”: experts and advisers to international cooperation, State officials, NGO employees. It involves recognising that we do not have the “truth” and that our information and proposals are fallible and insufficient, all the more because they do not include the supposed beneficiaries or worse still, because we continue to reproduce “charity work” in our actions. In short, both sides of the relationship must change, as must the relationship itself. All of us must learn, among other things, to relate to each other and to work differently, horizontally, as partners, acknowledging that the several parts must assume responsibilities, be accountable, make contributions and recognise their own rights and those of the other parties.

These are some of the lessons we have learned in DFID in Peru, in our search to make operational our choice for a rights-based development focus.

In post-Fujimori Peru two important political processes are being promoted: decentralisation, which also promotes increased opportunities for citizens' participation, and the reconstruction of memory regarding political violence, to establish the terms of reparation and reconciliation. In DFID, in both processes we chose to help connect up the voices of those who suffer poverty and exclusion in advocacy and dialogue with policy makers in order to ensure a place for the excluded on the negotiating committees. We tried to generate programmes that addressed the medium- and long-term factors, even while we knew that we would not see tangible results in the short-term. The strategies combined support for capacity-building among the under-privileged; for advocacy campaigns and dialogue with decision-makers; for helping build formal and informal alliances and coalitions; and for systematising and disseminating what was learnt.

5. Lessons Learned

To what extent have arenas and networks managed to re-negotiate or over-ride the separation between state and (civil) society? Has this made it easier for DFID to work on both sides of the fence?

1. DFID has tried to make judicious alliances and engage with networks where there was already common ground in terms of vision and route-map. In many cases, networks spanned state and civil society institutions. But the job of political networks is to challenge the status quo and question, at times oppose, official views. This means that while networks are indispensable for instigating a rights-based approach and influencing in many arenas, for DFID the political stakes were raised and risks became greater. When openings existed there were great advantages, when not DFID had much to lose.
2. Where little or no political will exists on the part of the state, then a mediating (easily re-phrased as meddling) donor gets frozen-out, as DFID found when the Ministry of Health backed away from collaboration. Less obvious, yet also telling, is the experience that when civil society organizations are dependent on the state (or international community), this also puts a break on constructive dialogue across the divide, a risk faced earlier in ForoSalud.
3. Especially in the aftermath of authoritarian rule, both state and civil society are pressed to re-work political positions, relations and visions; these are protracted processes full of tensions and paradoxes. The emphasis DFID in

Peru has put on engaging, dialoguing, influencing, disseminating knowledge and recouping lessons has been well received, especially by Peruvian groups also working towards more open and democratic governance. DFID's profile is recognized as refreshingly different from the banks and multilaterals, that are less open to dialogue and less free to take a principled stand, let alone champion citizen rights.

4. With DFID leaving Peru, development assistance to this middle-income country will be put largely in the hands of the multilaterals and less experimental donors. This means there will be no strong sparring partner on issues of rights, having the benefit of hard-won experience of working on both sides of the fence.
5. The central questions are: to what extent does adoption of a rights-based approach carry with it the "right" of a donor agency to take part in political processes? What happens when there is a clash of values in the interpretation of rights as between state, civil society and donor? What in practice does it mean to take a principled stand? None of this can find its way easily into manuals of "good" aid practice. Only some agencies, for a time including DFID, are sufficiently interested and capable of becoming reflective learning organizations can take this on.
6. In sum, working across the state — civil society divide proves to be a much more complicated matter than some exhortations to rights-based approaches give credit for.

To what extent have arenas and networks become institutionalized and more self-sustaining over time? How has DFID assisted in this process? Are they now sufficiently robust to retain a radical political stance in the face of countervailing forces in the longer run?

1. Discussion in the chapter has pointed to wide ranging examples of networks supported by DFID (directly and indirectly) and to their being at various stages of formation. Most outstanding is ForoSalud, a network that has now become an institutionalized national body. Other networking initiatives are

more incipient and fragile. Most have not had time to work out their own organizational form or develop internal leadership or management models that could offer the chance of sustainability. The loose network of organizations fostered through the human rights programme may survive if resources are available and associates still wish to engage in a more lasting relationship. But the absence of DFID's support in terms of rights may lead to dissipation of energies and uncertainty of direction.

2. DFID's supporting networks, the pre-existing political groups, have gained an important breathing space as well as experience in working consistently with a rights-based approach in alliance with DFID. Identification with a project (as in the case of Fortalece) has helped internal processes of consolidation. However, without the support, pressure and dialogic partnership of DFID, it is possible this process may now be arrested. Much depends on whether they conceive of themselves primarily as political activists or incipient implementing "NGOs".

How effective have arenas and networks been in achieving pro-poor change?
Have new possibilities for pro-poor interventions opened up?

1. DFID experience suggests that "good" projects centring on the achievement of pro-poor change involve the active participation of many partners. However, at the design stage timely and insightful ideas may be initially developed by a much smaller nucleus of knowledgeable people who have a strong sense and experience of where important "pressure points" lie.
2. While "pro poor" change and the rights of the excluded are very significant political markers and clarion calls to action, at some point in the network the paternalistic language, focus on lack and inability and attribution of victim identity have to be rejected and turned inside out. The Human Rights for the Poor projects have all taken important steps here and it is important to share this experience.

CHAPTER IV
"FOR THOSE OF YOU ATTEMPTING
THIS AT HOME"

MARK LEWIS & FRANCISCO SAGASTI



From a collection of paintings by rural communities, San Marcos Cultural Centre, Lima.

1. The Context for DFID in Peru

Over the course of several meetings, Francisco Sagasti, Head of the Peruvian Research NGO Agenda Peru interviewed Mark Lewis, Head of DFID Peru 2000-2005, about the lessons from DFID's experiences in Peru during these years.

Sagasti: Rosalind Eyben has done a good job at describing the emerging context for DFID work in Peru. But I would like to go over a few points to get a better understanding of the relevance of your experience for others.

In the first place, how much of the policy direction for the DFID programme in Peru came from London? Was there a geographically based Latin America strategy in place to direct your policies? I get the impression that you were given a good deal of room for manoeuvre. This is not so usual in other development assistance agencies.

Lewis: DFID has a clear goal of poverty elimination. All our policies are directed at that. Specifically we are aimed at helping developing countries achieve the Millennium Development Goals (MDGs). Our policy papers all point in that direction. DFID did not have a full-blown, publicly consulted, Latin America strategy for the period reviewed in these writings. There had been a lot of strategising in DFID and a lot of policy papers, and it was felt that another strategy document for what was, financially, a relatively small programme was not justified. But during 1999-2000, Clare Short, our Secretary of State for International Development made it clear that she thought that tackling poverty

in Latin America was important, that DFID should be engaged, and that we should get more strategic about our support.

Within these overall objectives, DFID believes in the "country-led model". Unlike some aid agencies, DFID country desks have considerable room for manoeuvre on country strategy programming. In the case of Peru, much of our assistance was coming to an end in the last years of the government of Alberto Fujimori, which provided us with a cleaner slate.

At the same time, while unique, Peru shares similar challenges to other countries of the region, so our strategising was set in that context, and we believe that the lessons from our programme are relevant both to these and a wider group of not-so-poor countries.

Sagasti: What was meant by "get strategic"?

Lewis: Well it meant becoming engaged on those policies and practices that are crucial to poverty elimination. It meant analysing the causes of poverty, not just dealing with the symptoms. It often means reaching up from implementation activities in the "field" to national level policies and programmes.

The DFID Latin America programme had always been managed out of London, and this made it very difficult to sustain a dialogue with key people in country, both in government and in wider society. So in practice, getting strategic also meant beefing up our in-country presence, and devolving sufficient authority, something many donors have shied away from.

Sagasti: Peru is considered a middle-income country, although we have had more than 50 percent of the population below the poverty line and about 20 percent below the critical poverty line for nearly a decade and a half. DFID has been thinking a lot about aid to middle-income countries. Rosalind Eyben discusses this. Was Peru's middle-income status important in shaping DFID's programme in the country?

Lewis: It is always a shock for Peruvians to hear their country classed as middle-income, because there is so much poverty around them. But from an economist's

viewpoint, Peru is middle-income, with an average income of over \$2000 per head. This is more than twice the level below which countries are classed as low-income — on the OECD (Organisation for Economic Cooperation and Development) classification. Economically, Peru has achieved a certain level of development. On the other hand, poverty is rife, as you say, which taken with average income levels, is a direct indication of income inequalities in the country. One reading of this is that Peru is not so developed, socially and politically.

This logic has caused us to think hard about the root causes of this disjuncture between economic and social and political development, of the inequalities in Peruvian society; what lies behind them and therefore what the responses should be. And secondly about the appropriate role for a donor in all this. If we argue that a country is economically less deserving of financial assistance than a low-income country, even that it has the funds to pay for any international technical assistance, what role can a donor then play? What can a donor provide? So Peru's middle-income status and widespread poverty caused us to focus both on inequality and on the role we should play.

Sagasti: Let us take this in parts. First, were you explicitly asked to address inequality?

Lewis: As Rosalind Eyben mentions, the 1998 report by the Inter-American Development Bank on inequality in Latin America was influential at that time. The report calculated that if Latin American incomes were distributed as evenly as those in East Asia, there would be virtually no poverty at all in Latin America. Of course, this is a static mathematical calculation but it gives a sense of the size of the issue. DFID Ministers were and still are concerned about inequality in Latin America, the most unequal region in the world

Sagasti: I want to press you on this point. There can be a trade-off between poverty reduction and inequality, as when there is growth in the incomes of the top and bottom segments, but the incomes of the richest segment rise faster than those of the poorest we would have less poverty and more inequality — a situation that has become rather common in many countries. Ideally we should have both rising incomes and diminishing inequality but this is rarely seen nowadays. How would you characterize the policy steer for DFID in Peru in this regard?

Lewis: The central steer is poverty reduction. But there are a number of "technical" reasons why inequality is bad for poverty reduction. For example, the more inequality, the less any given level of growth yields in terms of poverty reduction. Also inequality can spawn social conflict and other costs on the economy that are bad for development and poverty reduction.

But more fundamentally, there was a belief held by DFID Ministers, and shared by many in Latin America and beyond, that the continent could be doing much better on poverty if it started tackling inequality, through a greater commitment to those at the "bottom end of the spectrum", through a greater concern for distributional issues. And not just through welfare, often the interpretation in many Latin countries. But through coherent and comprehensive political, social and economic policies that are much more inclusive of poor people.

Sagasti: Were you being asked to concern yourselves specifically with income inequality?

Lewis: This was not addressed explicitly. Most of the development business literature tends to concentrate on economic inequality, primarily in incomes, but also in assets, whether physical, human or financial. But many of these can be seen as related to fundamental inequalities of a social or political nature, understood in terms of entrenched power relations. It is this focus on the social and political dimensions of inequality that we have engaged with in Peru, as described in these writings.

Sagasti: Returning to the second aspect of working in middle-income countries, the role for donors. DFID, globally, appears to hold the view that there is limited international consensus on the purpose and objectives of aid to these countries.

Lewis: The emergence of Poverty Reduction Strategy Papers (PRSPs) has represented a step forward in shaping the relationship between aid recipients and donors in Low Income Countries (LICs). LICs produce coherent and comprehensive long-term strategies for tackling poverty that donors — both multilateral and bilateral — can get behind. Although rarely expressed in these terms, these PRSPs can be seen as a form of compact. But PRSPs are essentially only for LICs or those just graduating to middle-income status. There is no

equivalent for middle-income countries, and there are few broad rules for engagement with these countries, even though as a group, they receive getting on for half of ODA (overseas development assistance).

One of the objectives in the Peru programme was to contribute to DFID understanding of poverty issues in middle-income countries, and how the international community should engage with them. Two early conclusions from our experience in Peru were first that attention to inequality and distributional issues is required for effective poverty reduction. And second that the international donor community could focus on supporting processes that tackle these, rather than assume that their role is either just to provide money or international know-how — which may well not be the main “missing ingredient” in a country like Peru.

Very often the problem is not lack of knowledge about what to do to reduce poverty — the premise on which much international technical cooperation is founded — but how to do it, in any given political context. This is especially the case in middle-income countries where the “knowledge gap” with rich countries is small or indeed negative in some areas. To take just one example, the British Government has been to Peru to learn from Peru’s policies promoting citizens’ participation in management of the health sector.

Sagasti: Well I think you are probably exaggerating the success and usefulness of the PRSPs in the poor countries. The record is quite mixed and many of the old vices in donor-recipient relations still permeate the PRSP process in many poor countries. Also there is the Comprehensive Development Framework for greater coherence in articulating support to middle-income countries. But how have you actually found the coordination of aid in Peru?

Lewis: On the whole, I think Peru is a good example of a middle-income country without a clear sense of direction for its international support. The Millennium Development Goals are becoming more prevalent now in Peru in the discourse of the aid community and the multilateral organisations. But the multilateral banks cover a very broad canvass in their lending, without a strong focus on poverty and exclusion. Among the bilateral donors, many have already left Peru, because it is not so poor by global standards, and those that remain are a varied

group where poverty reduction is only one objective. Security, drugs control, commercial, cultural or political objectives may be equally or more important.

This diversity of interests on the "supply side" has sometimes been met with a lack of clarity on the "demand side". The Government has not always been good at articulating its plans and needs. The absence of clear, comprehensive strategies makes strategic orientation more difficult. The Peruvian aid coordination agency (APCI) recognises this and is working on sorting this out, but the lead has to come from government overall. We supported the early efforts of the Toledo government to articulate a comprehensive poverty reduction strategy, finally adopted in early 2004, but it has not developed into a powerful guiding light, either for donors or for government.

We have also invested heavily in promoting greater donor coordination in Peru, which has taken a lot of staff time. This has been appreciated by many donor partners locally, but has not always influenced donor headquarters policy.

Sagasti: So I understand that DFID had a broad remit to get strategic in tackling poverty and inequality in middle-income Peru, in a context of limited international community consensus on this issue. One more point of context. You were establishing this programme just at a point of democratic opening in Peru. John Crabtree calls it the "Lima spring". To what extent was the DFID programme affected and enabled by the particular conjuncture of democratic opening? Do you think your programme would have been the same had Fujimori managed to stay his third term in office?

Lewis: Certainly the restoration of more democratic government has been a major feature shaping and sustaining the DFID programme, without which the programme would have looked very different. But I do not think that a concern for political development would have been out of consideration if President Fujimori had continued in power. I would speculate that the more democratically legitimate a government, the more a donor will be happy just to work with government, and the less legitimate, the more the donor will wish to work with broader society. Over time, and over longish time periods, donors may seek to drive their programmes putting more pressure on one "pedal" or the other, in

order to stay the course in the concern for poverty reduction. Under a third Fujimori term of dubious legitimacy, we might have found ourselves largely confined to working outside government. But in the absence of government buy-in, we would have been pushed hard to find a way to do this in a legitimate and wholly constructive manner.

Sagasti: I conclude from this that you were given a fairly broad remit, with a lot of scope to develop the programme. You were lucky. Some other agencies might not be as flexible as this.

Lewis: Over the period under review, we also benefited from a successive process of devolution from London. I am sure that this was important in enabling us to attune our programme to the realities in Peru, and to be able to respond quickly and flexibly to developments — something that was highly appreciated by our partners and often envied by other development agencies.

2. How DFID Organised Itself and Worked with Others

Sagasti: Turning to the way DFID was resourced in Peru. You were not given a large budget to spend, by DFID standards, or indeed by the standards of some other donors in Peru. How did this affect you?

Lewis: Because of its income level, Peru was not eligible for a significant DFID aid programme in financial terms. Our country programme budget has averaged about £3-4 million per year. One of the questions we asked ourselves was what size budget we actually needed to “make a difference”. At one level, of course, the more money the better, but this is not without its own risks. You risk spending all your time looking for ways to spend the money and then looking after it. The energy needed to search out the good ideas, policies and practice can be lost.

On the other hand, all new ideas and approaches have to be contextualised. Anything new that we support in Peru has to be firmly grounded in local realities, generating local knowledge and understanding. Money is needed for this. But we have not managed to work out the minimum “critical mass” that is needed to “make a difference”.

Sagasti: I am glad you mentioned the issue of critical mass, primarily because I think it has three different dimensions and most people focus only on one. First there is the “quantitative” critical mass in terms of amount of resources of all types; second, there is the “qualitative” critical mass, in terms of the characteristics

of resources at your disposal; and third, there is the “interface” critical mass in terms of the interactions between the resources at your disposal and between these resources and the context in which you operate. You can have a huge amount of quantitative resources that largely exceed the critical mass in the first sense, but you may not have the quality or interface dimensions of critical mass. In fact, “throwing money at a problem” reflects very much this situation. It seems to me that you managed to make up for your lack of quantitative critical mass by gathering qualitative and interface critical mass in the design of your programmes. You evidently had a good quality team in place. But you did not have many staff?

Lewis: Due to British Government rules, the small size of our programme budget meant that there were limits on our administrative budget including staff numbers. In accounting terms, staff working in our office are regarded as an “overhead” essentially serving DFID, rather than as a resource that adds value to the programme, to benefit Peru in this case — much as we hate to see ourselves exclusively or even largely in these terms! The rule is a real shame because it has very often been our human resource rather than our financial support which is most valued by our partners, as is brought out in previous chapters. “Influencing” rather than “buying” national policies or multilateral institutions by definition requires staff not money.

Furthermore in Peru, we were sure we needed inter-disciplinary skills and we developed a team with advisory or technical skills in governance, social development, health and economics. We had four administrative staff, making a total of eight staff in total. This is small but I agree with you and others that it was a quality team.

Crucially, we recruited two locally appointed staff into key Advisory positions. This meant that the advisory group, including me, that took the major strategy and programme decisions, was evenly balanced between international and national staff, both in terms of numbers and largely in terms of hierarchy. The Peru voice was given forceful expression in the office, which I think was very important in shaping our approaches. It gave great local knowledge and contacts. But most importantly it gave valuable insight into how many problems lay in the political, not in the technical, domain.

Sagasti: I understand that not only did you have Peruvians in relative positions of power, but that they were also front-line staff who were expected to represent the British Government. Did this present any problems?

Lewis: This is an interesting question. When you recruit high quality staff with a strong commitment to, and experience in, tackling poverty and exclusion, from within a relatively small pool, there is a good chance that they will be known, if not publicly, then among a wide range of development actors. In a country where politics is considerably polarised, this can make interlocution more difficult.

But when you recruit quality staff, they assimilate policies quickly, and they should be sensitive to the fact that they have these dual responsibilities, as Peruvian citizens on the one hand and as representatives of the British government on the other. This is not always easy and takes some working at, but the investment pays off handsomely. In other bilateral aid agencies, we tend to see local staff relegated to positions of project oversight, so we have gone one step further on this.

Sagasti: Rosalind Eyben suggests that DFID ran the risk of being co-opted by agendas of national staff. Any comment?

Lewis: There is always that risk. But international aid bureaucrats also carry their own baggage with them. We may be rather naturally drawn towards close associations with recipient country elites. The important thing is that we are all aware of how our backgrounds shape our relations.

Sagasti: DFID also devoted resources to understanding Peru, in particular you took a long view on the country's history and development. This is rather unusual for a bilateral agency, and indeed for most development assistance organisations I know!

Lewis: International cooperation typically does not take the long view, almost certainly because of the political pressures on all governments, to help deliver rapid progress in developing countries. The need to focus on the near future militates against an analysis and acceptance of the long time horizons needed for most development, notwithstanding the incredibly rapid progress in some parts of the world in the last half-century.

But in the last few years, DFID has begun exploring the longer run, to understand the deeper factors and incentive structures that support and hinder development in favour of poor and excluded people. In Peru, we certainly worked with this trend, maybe we were ahead of it. Your own work, Francisco, which brought together the deep cultural understanding of Gonzalo Portacarrero, with the medium term political analysis of Martin Tanaka together with an interpretation of the role for the international community in supporting “pro-poor change”, has I think influenced the framework of what became known within DFID as work on “Drivers of Change”. This now firmly directs analysts to look at deep structures, medium term institutions and current agency.

This work was certainly very enriching in helping us to think about poverty and exclusion in Peru at different levels — the deep structures of authoritarianism, violence and discrimination; the medium term opening of social, economic and political institutions of the last 50 years; and the key actors today, who the powerful stakeholders are. It gave us clear insights into the unequal distribution of social, economic and political power in Peru and some ideas on how to go about engaging with this.

Sagasti: As you mentioned, it is noteworthy that much of this research work brings out the issue of power relations. Rosalind Eyben and John Crabtree described how this clearly had an important impact on shaping DFID’s strategy in Peru, in ways that were perhaps novel for most bilateral aid agencies.

Lewis: The combination of seeing Peru through a middle-income country lens, characterised by high levels of inequality, be this economic, social or political was undoubtedly key in shaping DFID’s strategy in Peru. And, in keeping indeed with your own advice, Francisco, we took as our entry point the medium term institutions shaping the country, with a strong focus on political institutions.

As I said before, the “democratic opening” in Peru in 2000-2001 certainly encouraged and perhaps enabled this focus on political institutions, on a deeper consideration of how rights and democracy mesh with economic and social development. In Peru and much of Latin America, the Human Rights, the Democracy and the Development communities are in many ways all rather separate and distinct from each other. We developed a focus on how these different

communities might join together, seeking to help agendas converge, rather than run in parallel.

Sagasti: As Rosalind has said, this has meant working on both sides of the state-society equation, with both "supply and demand", with both government and civil society. Was that a problem for an official bilateral agency?



Photo: Victor Mallqui

Lewis: There is a default mode that official development agencies work with governments, at least to a very significant extent, and the international NGO sector works very largely with civil society. But this does not have to be the case. If the logic of a strategy suggests working with both state and society and the host government is content with such a strategy, there should be no problem in principle for an agency like DFID in pursuing such a strategy.

In Peru, under the Toledo government, this has largely been the case. We worked with both government and wider society in putting together the country strategy of working "both sides of the equation" and this was discussed and agreed with APCI. Subsequent programmes with civil society were shared with APCI and in instances where a programme involved both government and civil society, it was signed with the Peruvian Government.

But there have also been tensions. As described by Fiona Wilson, for a period the administration was not content with some of DFID's support for civil society in the health sector, though subsequently this problem was resolved. Equally our association with Oxfam, through our Human Rights programme, has caused tensions because the Oxfam family has taken a strong stance on the impact of mining operations on local communities.

Sagasti: Well you have been quite fortunate. The situation was very different during the Fujimori government, which had a definite anti-NGO, anti-civil society

stance and used SECTI (Secretaría Técnica de Cooperación Internacional), the predecessor of APCI to harass independent think tanks. This attitude still prevails in some members of Congress.

I would like to return to this. But I would like to explore for a moment this concept of working with representatives of both government and civil society, and in fact working together with a broad range of people and organisations. How did DFID work out this strategy of supporting networks and alliances to promote change in favour of poor people?

Lewis: We knew we wanted to help Peru tackle inequality and exclusion, and we were opting to do this through supporting the development of more inclusive political institutions — by promoting rights and citizenship, through a focus on strengthening state-society relations. But we still had to work out our comparative advantage in this, as a donor, as DFID, the UK official bilateral agency. It was only gradually that we did this. Our “natural” partners were the Government and official multilateral and bilateral agencies. But we were also a donor that was willing to reach out to civil society in a strategic and systematic way, and gradually we carved out a role that involved sharing knowledge between different groups, connecting different actors, and facilitating or supporting new relationships.

Gradually this evolved into a more political economy reading of development, with an explicit recognition and understanding of supporting alliances for change. But it took us time to reach this position.

Sagasti: One aspect of this multi-actor working has been DFID’s desire to work with or even lever the international community, particularly the multilateral development banks. Did you have any guidelines from DFID headquarters on working with the World Bank and the Inter-American Development Bank?

Lewis: One of the advantages that DFID has — which it shares with some but not all bilateral agencies — is that we are responsible not only for the UK bilateral programme but also for the UK interest on the boards of the multilateral development banks. So DFID staff are encouraged to think about the multilateral and bilateral effort together. This does not mean that DFID staff who work on

board level issues are always in perfect harmony with bilateral programme staff, but we work at it. There are 101 ways of engaging with the Banks, but DFID has no single handbook on this, and at country level, this is where the art of relationship building kicks in.

Sagasti: In the examples of your work covered by John Crabtree and Fiona Wilson, working with the Banks did not come across as strongly as I expected it would. Rosalind Eyben says you found yourselves working with those who were "conceptually closer". What was the situation?

Lewis: This is a rather long story, but I will try to be brief. From 2000, DFID was very focused on the fact that it was a tiny agency both in Peru and in Latin America more generally. Our logic led us to conclude that if we were to add any value to development processes, we should seek to work in a coordinated way with the more weighty actors, in particular with the multilateral banks that were judged as contributing with much technical expertise. To some extent, at the beginning, I think we rushed into trying to establish close working relations with the Banks, almost for its own sake.

But three things happened. First, we started to think hard about our comparative advantage, compared to the Banks, which itself required a degree of independence. Second, we stepped back from too close a relationship with the Banks, in order to deepen our comparative advantage to avoid being co-opted to their agenda. And third, we worked out what we thought was a better way of working with the Banks to support a more inclusive agenda.

Sagasti: Well, did you work out a comparative advantage?

Lewis: I believe so. Tackling the inclusion agenda set out in this book is not that easy for the Banks. Almost by definition, excluded groups are not high on government agendas and to put them there requires support, for example, for mobilisation and advocacy activities. Few governments will be prepared to borrow hard money from the Banks in order to support the "demand side" activities of these advocacy movements. Bilateral agencies such as DFID, in contrast, can provide grant funding to this "demand side" that the multilateral banks cannot reach. Once the agendas of those previously excluded become more mainstream,

we might hope there is then more chance of their picking up government and Bank loan support.

Second, and as a consequence of the first, the Banks' vision and culture may not, in our view, always give enough focus to reaching the excluded, so this is where DFID can respond with its particular expertise in social and political development. Third, there are some areas that the Banks have traditionally feared to tread because of the legal interpretation of their charters, for example, working with political parties or an explicit engagement with a rights agenda, though this is changing over time, with both Banks becoming more flexible. Finally they may not go forward without the support of the wider bilateral community, for fear of being seen as behaving too dominantly. These are all structural reasons as to why a bilateral such as DFID can add value.

Sagasti: And did you avoid co-optation? For example when you undertook your participatory poverty assessment (PPA) with the World Bank, did you manage to overcome the “technocratic bias” of World Bank experts, or were you steamrollered by the World Bank juggernaut?

Lewis: The PPA was actually quite early on in our relationship with the Bank in Lima. When we were putting together our respective strategies for working with the new Toledo administration in 2001, the Head of the World Bank office in Peru and I both noted that there were many expert analyses of poverty in Peru, but few if any systematic attempts to get the views of poor and excluded people themselves. The Poverty Forum (1998-2001) supported by many donors, including the World Bank, IDB and DFID, had promoted public debate of poverty policies, reaching out to the poorer regions, but this process with its large scale workshops had never managed to get the direct views of poor people.

So we embarked on a PPA, which was rather more hurried than we would have liked, driven, rather typically, by our own organisations' deadlines. Working with the Bank was as ever a learning experience. We were faced, for example, with the choice between wide open forms of questioning, which would more honestly allow people to put forward their agenda into an “open space”, and directed questioning which ensured the generation of “useful” data but begs the question of useful for whom. I would say the majority of staff in the Bank, or

indeed DFID, come from the "technical" school. This is my own background as well. As an economist, I was brought up in the school of "experts knowing better" and it is not easy to make the step towards giving sufficient weight to everyone's right to self-expressions and self-determination.

But I think it would be wrong to categorise the World Bank as a juggernaut, or indeed homogenous. You have worked in the World Bank, Francisco. I haven't. But my experience is that there are plenty of reformers looking for new ways of working. Indeed our strategy has been to try to work with the like-minded reformers, working with them as part of the alliances for change.

Sagasti: So why the need to "step back", I think you said?

Lewis: Well there have been occasions when the Banks' culture gets the better of them. As with many large organisations, sometimes they are not the greatest listeners. As *the* leading development institution, the World Bank for example, also hits hard. You need very solid grounds when engaging with them, so we had to be sure of these, on issues of political economy, on accountability, on participation or on rights.

One current project with the World Bank not covered by this book is a piece of analytical work reviewing how to improve accountability in the social sectors, which picks up on many of the demand side issues that DFID has grappled with over the last few years. I do think this has played to our "comparative advantage".

Our strategy for engaging with the Banks has developed into one that tries to incorporate the international community, including the Banks, into supporting virtuous circles of change. This should be conceived as building up a momentum of support for change among domestic actors, from both state and society, which incorporates the support of the Banks. Rather than a strategy based on the linear logic of DFID adding value to the World Bank, which in turn adds value to Peru. The point is that the Banks are not external to local incentives. Loans will reflect government interests and the interest of excluded groups may not be high on these agendas.

Sagasti: Well why not just tackle the issue head on, in the Banks' boards?

Lewis: We do that as well. At almost every Peru strategy meeting, the UK delegate calls for a greater focus on poverty and exclusion. The two approaches are complementary.

Sagasti: It is clear from this and the preceding chapters of this book that “investing in relationships” was important to DFID. How did this come about? And what are the key elements of this approach?

Lewis: I think that the political economy approach of looking to work in alliance with others interested in supporting change in favour of poor people naturally leads one to a focus on investing in relationships. Working in alliances requires trust and trust requires investment. What that investment looks like has been well described by both Rosalind Eyben and Fiona Wilson, but it certainly has key attributes like developing horizontal relationships, transparency and mutual accountability. These have to be constructed, and this has not always been easy. In theory, it is easier when you are the more powerful partner. You have the choice to cede, but this does not come easily. With a more powerful partner of course, you have to somehow find ways of encouraging them to cede. All of this, we have had to learn over time, sometimes rather painfully. Much of our learning has come from our understanding of rights-based approaches.

Sagasti: Well, it seems that you and your colleagues at the Peru DFID office ended up playing a variety of roles that are not normally played by bilateral development assistance agencies. At different times you were a source of funds, facilitators, advocates, convener, experts, experimenters and partners to other agencies. Did this variety of roles create some sort of “multiple personality disorder” for you?

Lewis: Well it may surprise you, but the answer is a resounding “no”. Although we have experimented with different approaches, we always had a clear goal of supporting people and institutions committed to pro-poor change. What we learnt over time was that the quality of the relationship was key to earn respect and credibility and to achieve common objectives. Trust is something one earns. This is also valid for a donor agency.

Sagasti: Another point that comes out clearly from the contributions in this book is the flexibility that DFID has shown in managing its projects. This was particularly highly valued by state and civil society partners alike.

Lewis: Like any aid organisation, DFID has its tomes detailing aid procedures. But there has been a concerted attempt over recent years to simplify these, especially for smaller projects. We also had a small fund, the Strategic Impact Fund, which allowed us to make very quick decisions in what is often a fast moving policy environment. Our larger programmes that involved building relations and alliances to promote pro-poor change were typically designed with a flexible structure. Relationship building does require flexibility on both sides.

3. Results, Challenges, Consequences

Sagasti: I would like to turn now to the results of DFID's work over the last few years, as discussed by John Crabtree and Fiona Wilson in particular. Perhaps I could ask you first about the DFID focus on rights-based approaches. What do you think this has contributed in Peru? What lessons can you draw from this focus on rights?

Lewis: This has a huge number of dimensions, but perhaps I can mention two or three. First, rights-based approaches, at their core, highlight the issue of power relations, and the political nature of development. Having a "right" is much more politically empowering than having a "need". Historically the poor and excluded, as we donors call them, had to struggle for the realisation of successive rights, civil, economic, political and social. This provides a whole new lens for understanding, relating to and supporting development, in this case in Peru. I believe DFID has helped generate a better understanding and application of this among a variety of actors in Peru.

Second, the question then arises as to the legitimate role of donors in such affairs. I am not sure that DFID ever got to the point in Peru where we were fully tested on this point. Rosalind Eyben says that there is little evidence "we went the extra mile" to focus on changing power relations within society, as opposed to improving relations between state and society. I think this is a fair comment. The Participatory Rights Assessment Methodologies (PRAMs) project described by Fiona Wilson, I think, would have taken us firmly into the territory

of changing power relations, as we sought to support people's own strategies for the realisation of their rights. But the time frame has proven too short.

Third, rights-based approaches force donors to look at their own behaviour, at how their own relations need to change if they are to create the space for excluded people to exercise their rights. Marfil Francke has described this very well in her contributions in this book.

Sagasti: Where does the DFID health rights project fit into this scheme?

Lewis: I think this is an extremely interesting project that, despite its infancy, has already picked up international recognition from different quarters, for the way in which it has set to work with the Ombudsmans' Office, with civil society and with the Ministry of Health in alliance on the issue of health rights. The programme was instrumental in helping us towards our understanding of support for alliances. Particularly rewarding is the way the programme has supported the Ombudsman's expansion into the defence of social rights, in both health and education, from its previous concentration on civil and political rights.

However, the programme essentially has a "top down" strategy. The support has not emerged from the one-quarter of Peruvians who do not access modern health care, autonomously "claiming spaces" to push for their right to health. It derives more from the commitment of the "enlightened", and to organised civil society at both national and local level, to the cause of these marginalized people. The programme is creating "invited spaces" for poor citizens to claim their rights. Ultimately the programme is less threatening in this sense.

Sagasti: Maybe this programme was more about extending fuller citizenship and citizens' rights to all Peruvians? The Identity programme described by John Crabtree is also on these lines.

Lewis: In many ways the Identity programme sums up DFID's support for more meaningful citizenship. Those who lack documentation, perhaps 5% of the population, are the "ultimate excluded". But this is the tip of an iceberg of different inter-related forms of exclusion in Peru. The work of the Truth and Reconciliation Commission highlighted that those people whose political and

civil rights were most abused, were precisely those who have least enjoyed economic, social and cultural rights. The work of the Truth and Reconciliation Commission has been extremely important, and we have tried to ensure that its messages remain alive.

Sagasti: The contributors to this book also emphasize the programme focus on active citizenship. There has been something of a boom in participation under the Toledo government. What do you think has been DFID's main contribution here?

Lewis: Again, I think it is because we have worked with others to go beyond participation, say, as a means to more efficient and effective services, to participation as a right. Citizens have a right to participate in decisions affecting their lives, at different levels. Some people might say they also have a responsibility to participate, though such a responsibility can be a heavy and risky burden for hard pressed unempowered "marginalised people". So we have worked hard at supporting active citizenship, at many levels, particularly in local government, with a specific concern for how the less powerful can participate.

One project not covered in this book was our support for community and parental participation in school management in rural areas. Many parents want more involvement in ensuring adequate education for their children and we have endeavoured to support this participation as a right. This has been a groundbreaking approach, with the Ministry of Education, and with the World Bank, which we hope will be sustained with World Bank and other donor support.

Sagasti: Can I turn to the work you have undertaken with political parties. That is a very new and different agenda for a bilateral agency. It also seems like an enormous task. Sisyphus comes to mind!

Lewis: Possibly. As John Crabtree and Carlos Santiso have described, we were concerned to bridge the two communities, of Development and of Democracy, the former with its focus on development as a technical non-political process, and the latter with its focus on procedural aspects of democracy, ignoring the policy content under debate. The approach to political parties reform and

development, is again essentially top-down, but it is providing some interesting lessons.

The National Democratic Institute (NDI) project that approaches Peruvian political parties with the offer of helping them to think about poverty, is very interesting, not only because it is working on political party capacity to engage on these issues, arguably badly needed. But also because, in contrast to much development practice, the project does not arrive with a single poverty reduction handbook under its arm. Rather it offers to help explore any given political party's view on attacking poverty and exclusion, recognising a possible divergence of views on this.

Sagasti: How easy has it been to work beyond government with opposition political parties?

Lewis: Well, this has proven more straightforward than you might imagine. Our approach has been to come to the table with the values of the present government in the UK — in the broadest terms, our global concern to tackle poverty. And through our association with NDI, we have been able to establish a space that is non-partisan beyond these terms, to deepen an understanding of poverty, with all the political parties who wished to take up the offer. Of course, some were more responsive and capable of doing so than others, but there was no division in terms of position on political spectrum.

This experience has not been as risky or contentious as some might imagine. There has been good and rising demand from the political parties, and I am sure that this would have grown substantially in the run up to the 2006 general elections.

Sagasti: DFID has also been doing some useful work on the "fiscal pact" between state, civil society and the private sector, to reinforce the compact between these three key actors, so essential to reducing poverty and improving living standards.

Lewis: Yes, this work, looking at the equity and governance aspects of the taxation system, only got to an early stage. In common with many countries in Latin America, the overall tax effort in Peru is relatively low, and over concentrated in

some sectors, with little dependence on direct taxes. It is now increasingly recognised that this fiscal thinness tends to weaken the relations between the state and its citizens and may contribute to weak systems of representation. However we only got this work to the study stage, together with some initial work with the IDB. We had hoped to move forwards to help put it more onto the public agenda.



Photo: Victor Mallqui

In general, most of the work over the last few years has been at a very early stage, and typically backed with limited resources. But I hope and believe that we have managed to work with prevalent trends in Peru, and help plant some new seeds.

Sagasti: Well let me press you on that, on what impact you have had. As a small donor contributing, perhaps as one of a number, to some of these complex processes that you have mentioned, how do you go about measuring the results and impact attributable to DFID?

Lewis: Like many donors, we work with the logical framework, with its indicators at output and impact level. This gives reasonable measures of outputs, and satisfies “audit” requirements. But outputs are sometimes little more than completed activities (studies, trained people, networks established, etc.) and such an approach is not very satisfactory for measuring impact, or more so longer-term consequences, and attributing this to DFID. The logical framework with its embedded linear logic also has its limitations for dealing with the complex processes that many of our initiatives have supported.

One option at a programme level is the social audit approach of getting other opinions on your performance, a technique favoured by some United Nations organisations. Another more micro view, suggested by Robert Chambers,

is that of "plausible stories", the construction of indicative stories that show at least some associational relationship. For example, it is unlikely to be complete coincidence that the Ombudsman's Office is developing a focus on the defence of social rights at the point that DFID has been providing specific support on health rights. These qualitative evaluative techniques are more intensive but can be designed to generate mutual feedback and institutional benefits which would justify this. To some degree, this book is an attempt in that direction, though it also had to serve a dissemination objective.

Sagasti: Well I know that question was a difficult question, especially in such a messy and complicated country like Peru. Let me change tack again and ask you, what would you say have been the most significant challenges in developing the programme?

Lewis: The whole experience has been an exciting and stimulating challenge. The lack of a clear policy framework for engaging with a middle-income country with high levels of poverty, the relatively unexplored ground on ways to help tackle inequality and learning how to work more effectively in broader alliances have all been a test. At the core of this is the challenge of how, as a donor, to manage processes that deal more explicitly with politics and power relations, of how to work with political processes.

Sagasti: I wanted to get to that. All the contributors and you yourself have, rightly, pointed out the more explicitly political nature of many of DFID's activities here in Peru over the last few years. What has DFID done to ensure that it has acted legitimately and accountably?

Lewis: Dealing with rights, citizenship and democracy certainly takes a donor into grounds that are more sensitive than normal. The first general principle for dealing with this is to "put yourself into the picture", to accept that you are one of the actors in the play, rather than hide behind the curtain whispering directions. This means being totally open, honest and transparent about your values and your actions. We have tried to fulfil on this. Our overall strategy was agreed with APCI. All our main programmes have been worked up with government and discussed and agreed with APCI. We have made public, information on all our programmes.

I think we could probably have done more in terms of systematic reporting on progress with our programmes, both to the state and to wider society, as well as to those affected by our programmes. With hindsight, we should have put more effort into this. It would have been particularly interesting to have worked more closely with the Congressional Committee responsible for international development cooperation, to have exposed our actions to their scrutiny.

Sagasti: But you did run into difficulties of opinion with the Peruvian Government over health. How were these resolved?

Lewis: The story is as recounted by Fiona Wilson. We put together a programme of health rights with the Ministry of Health, with the Ombudsman's Office and with inputs from civil society, and we reached agreement with all parties on the programme. But later the Ministry raised some objections. One was that it would prefer all the resources for civil society activities to be channelled through the Ministry. We were not content with this proposal since it undermined the basic principles of our overall agreed strategy and those of this project in particular. So we made a number of changes requested by the Ministry but stuck to the principle of providing some funds for civil society for research, advocacy and citizens' participation in health management.

Ultimately, but only after changes in the Ministry, these revisions were agreed with the Government. Had there not been changes, we would have been faced with a dilemma. If a government does not want you to work direct with civil society, few choices remain. Typically northern governments may channel funds through northern to southern NGOs, but this is far from a transparent response. Maybe we might have sought to put the issue more into the public domain in Peru for legitimate local democratic debate.

Sagasti: Are you saying health rights issues were not the subject of legitimate local debate in Peru?

Lewis: No, clearly there is a vigorous debate, in particular on sexual and reproductive health rights issues, but there has been rather less discussion on the role of the international community in supporting that debate. Under the current Health Minister, our belief is that this has improved a great deal.

Sagasti: You say that you could have paid more attention to the issue of legitimacy and accountability. What else do you think you did not pay sufficient attention to, within your strategy?

Lewis: First, one set of issues concerns "discourse". We tried to support the development of new approaches in the Peruvian development debate — rights-based approaches, political accountability, tax effort. But there are many interpretations of the meaning and application of these concepts and words, and it is interesting how meanings get subtly mutated and transformed over time by different actors, as discussed by Fiona Wilson. We probably should have put much more effort into helping a deconstruction and re-building of these ideas in the Peruvian context, and been much less ambitious about how quickly we could expect to achieve this.

We were also so busy doing things, that we never got round to bringing our messages together in an effective communication strategy. To some extent the current exercise, this book, rectifies this lacuna but with hindsight. I think we should have had a permanent Communications Officer to ensure a good understanding of our values and strategies, not least to overcome "discourse" confusion.

Thematically, we might also have shone rather more strongly other torches on the Peruvian context to see the country with different lenses. A stronger gender analysis would have helped us in a better appreciation of power relations and public-private boundaries. Personally, I would also like to have spent more time with a discrimination lens. But we were already at full stretch and unfortunately we had not found the time to engage in depth on these issues.

4. Looking Ahead

Sagasti: Mark, turning to the future, you personally know Peru well, and in the last few years, DFID Peru has adopted a considered perspective in this country. From your personal viewpoint, where do you see the country going on all this? Is Peru on the right track?

Lewis: There are far more informed minds working on this, than anything I can bring to bear. There are some very pessimistic views that the country might fail to get to grips with its racial, ethnic and social diversity and inequalities, risking some form of “balkanisation”. At the other extreme, I recall the previous IDB Representative, concluding that the energy and flair of Peruvians meant that the country was “condemned to success”. I suppose that I am somewhere in the middle, with a professional lean towards optimism.

Social processes are generating new forms of integration, probably not well understood today, and many indicators demonstrate a gradual improvement in well-being. But it seems to me that there are risks that the struggle for, and resistance to, more equal power relations in Peru will generate continued conflict and also that a good proportion of the population — those who live in extreme poverty in rural Peru — will continue to be left out. History tells us to expect Peru to continue to “muddle through”, though I would love to see more dramatic progress.

One factor will be how the new political institutions plays out: whether the political parties can “pull themselves up by the hair”, whether the new deliberative spaces of participation can play an effective democratic role, what new political spaces are claimed by the poor and oppressed themselves.

Sagasti: So what do you think the international community should do to support Peru in these challenges?

Lewis: I think we should seek out and back the reformers in government and in wider society who are looking for a more cohesive and inclusive Peru, a more equal and fairer society, and one which is much more able to negotiate its conflicts without recourse to violence. I feel that to do this, cooperation does need to work systemically on “both sides of the equation” helping to build channels of



Photo: SERVINDI

effective and accountable political intermediation. The United Nations family, led by UNDP has many of these traits, not least in its direct appeal to ethics. Overall, European Union cooperation is also heading in this direction.

Maybe the biggest challenge is for the multilateral banks. As banks, offering loans, their (direct) client is the government, and so the democratic quality of their support will tend to reflect the quality of the representative democratic system. In recent years, the Banks have sought different means of direct contact with wider society. Making this more systematic will be an important task.

Sagasti: Do you think any of this is applicable to DFID and international cooperation with other countries?

Lewis: I think a lot of it is highly relevant. The Peru, and wider Latin America, case makes it evident that economic development — as measured by increases in

average incomes — may have limited impact on poverty levels. A concern for distributional issues, for greater equality and equity, is also necessary to make good progress in tackling poverty. Africa is not far behind Latin America on the inequality index, so the point is relevant there.

Second, the focus on inequality in middle-income Peru highlights the political nature of development processes. In international cooperation, we know this but we tend to treat development as technical for various reasons. Certainly it is less complicated not to have to concern yourself too much with a country's domestic political processes. “Is it democratic or not?” — by which is meant “Are there democratic elections?” — can often be the limit of a donor's questioning. Also, donors do not want to “put themselves into the picture”, to expose themselves to processes of open democratic accountability in the country concerned, preferring to remain “outside the debate”. There are issues of power relations here.

I hope that in the case of Peru, we have given some ideas on thinking about political processes, on exploring ways in which to engage with them and on how to do this in a legitimate way. We believe that the subject matter of citizenship, of rights and of democratic accountability is a good route into engaging with inequality and exclusion in virtually any country, regardless of its income level. We also believe that it is relevant to donors in most countries to look to work systemically with both the state and society in sponsoring balanced political, social and economic development. And that a practical way forward is to help the reformers in both the state and wider society, and in international cooperation itself, build alliances around broad issues of reform in favour of poor people.

Of course there are also bound to be challenges in many countries. In less institutionalised societies, it might be more difficult to work to find effective partners in wider society, as it can be difficult to establish good partnerships with bottom-up organisations of excluded rural communities in Peru. And in countries where DFID deploys significant financial resources and/or where the UK has a colonial past, it might be rather more difficult to put ourselves into the picture of power relations.

But maybe cooperation will have to grasp the nettle of supporting political development, more firmly, and be clearer about where it stands on values.

Sagasti: And finally, any regrets, now that the Office has to close?

Lewis: Of course, it would have been great had DFID found the resources to maintain a country programme longer in Peru. I just hope that we have done enough, by way of planting new approaches and putting in place some follow-up DFID central and regional financing, for our efforts to be sustained, and ultimately for the least advantaged Peruvians to be part of a more inclusive and fairer Peru. The team here and all our partners have worked incredibly hard for this.

5. Conclusions

Context

- Peru is middle-income and is far less deserving of financial support than many much poorer countries. But it merits international support insofar as it tackles greater social, political and economic inclusion, and its notorious inequalities.
- The Peruvian state should do more to agree a common agenda with donors, and donors should do more to coordinate more effectively behind this.

Organising international support

- Donors can do more to understand and engage better with Peru. Two important means for achieving this are the recruitment of high quality national staff and taking a historical view on development.
- Working systemically and explicitly with both state and society and the relations between the two, will produce critical tensions but offers a richness of approach missed by unidirectional or parallel working.
- In keeping with standard political strategy, supporting the development of alliances is key to helping “pro-poor change”. International cooperation should be part of these alliances.

Building blocks for the future

- Strengthening citizenship, establishing rights and promoting accountability will be key to the development of a more inclusive and equitable society in Peru.
- In supporting this agenda, donors must put themselves into the picture, and make themselves accountable to the Peruvian state and society.
- A commitment to effective communication and dialogue, and to open and critical reflexive learning should be a cornerstone in taking this forward.

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Annex A
DFID BILATERAL AID TO PERU

2000/01 - 2004/05 (£'000)

	Country Programme	Headquarters Programmes ¹	Humanitarian Assistance	Aid Debt Relief ²	Total DFID
2000/01	1684	2320	-	296	4300
2001/02	6914	643	415	198	8170
2002/03	1844	951	311	295	3401
2003/04	2970 ³	711	-	447	3723
2004/05	2420 ³	n.a.	n.a.	n.a.	n.a.

¹ Mainly support for Research and Civil Society programmes

² Interest and principal repayments forgiven on aid debt

³ Estimates

n.a.: Not available

Annex B

DFID PERU CHRONOLOGY

DATE	PERU EVENTS	OFFICE	STRATEGY	PROJECTS
1995-1999	Second administration of President Alberto Fujimori	<p>Programme managed from London</p> <p>From 1995, David Lewis (DL), Health Field Manager, based in Lima, based in British Council, with administrative support from Milagros Brescia (MB)</p> <p>October 1999: Mark Lewis (ML) appointed head of Peru office, based in Embassy</p>	Peru Country Strategy 1998-2001	<p>Portfolio of Health projects, Education project, (both mainly know-how, working on supply of services), Alternative Development project</p> <p>1999: Two Health know-how projects submitted to Government of Peru</p>
March 2000	Increasingly dubious legitimacy of electoral process	DFID Peru office established: ML, DL, MB, and Cecilia Collazos (accountant) moved into new office in Embassy building		<p>DFID freezes processing of health projects</p> <p>Funds provided for electoral observation</p>

DATE	PERU EVENTS	OFFICE	STRATEGY	PROJECTS
April	General elections held			Strategic Impact Fund (SIF) starts: support to Poverty Forum, CIES, National Radio Coordinator (CNR)
May		Rosalind Eyben appointed Head of DFID Bolivia office; support for Peru programme		
July	Third term of President Alberto Fujimori begins			Exploration of options for programme in country with "illegitimate" government
August			First DFID Peru Annual Work plan: focuses on middle-income status of Peru, Influencing objectives, and strong poverty objectives	
September	Video released revealing political corruption			
November	President Alberto Fujimori resigns; President Valentin Paniagua forms Transition Government			
December				First Elections project (PAPE) designed
March 2001	General Elections	Jocelyn Sablich joins (administrative support)		SIF support for National Roundtable Against Poverty, Human Rights for the Poor project designed

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DATE	PERU EVENTS	OFFICE	STRATEGY	PROJECTS
July	Alejandro Toledo takes over Presidency; Roberto Daniño PM	DL leaves; Víctor Zamora (Health Adviser) and Marfil Francke (Social Development Adviser) join	Regional meeting, Sao Paulo: Eyben/ Lewis state-society proposal	
Second half of 2001			State-society studies: Gonzalo Portocarrero, Martin Tanaka	Human Rights project approval; "Voices of the Poor" participatory poverty assessment; Health Rights project design underway
January 2002			Country Strategy Performance Review (Wise and Ballon)	
February		Move to new office		"A Trabajar; Social Productive programme approved
March			State-society study: Francisco Sagasti	
April			Sue Unsworth visit; First draft of new country strategy	
June		New Senior Programme Manager, Doris Naola, appointed		
July	Luis Solari appointed PM			Human Rights Programme awarded to Oxfam; Second Elections (El Gol) project began implementation

DATE	PERU EVENTS	OFFICE	STRATEGY	PROJECTS
September		Carlos Santiso (Governance Adviser) arrives		Health Rights project not agreed with Government Governance Review started
November	Regional and Local elections			
Early 2003				Human Rights project launch; Rural Education project with MINEDU begins
April				
July	Beatriz Merino appointed PM			
September			Peru Country Assistance Plan approved formally	Decentralised Social Assistance Programme ("Fortalece") agreed with MIMDES
October				Final version of three partner (MINSA, Ombudsman's Office, civil society) five year health rights programme agreed locally
November			DFID Peru informed that it must close by March 2005	Review and re-configuring of programme
December				15 month health rights programme agreed and underway; 12 month Governance programme agreed and underway

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DATE	PERU EVENTS	OFFICE	STRATEGY	PROJECTS
January 2004	Carlos Ferrero appointed PM			Human Rights programme reconfigured
March				Accountability in the Social Sectors project agreed with World Bank
April				
July		Víctor Zamora leaves; Corinna Csáky, consultant for dissemination, arrives		
October			Process of systematising DFID Peru experience	

Annex C

DFID's Main Projects in Peru 2001 - 2005

Project Name	Political Rights and Poverty: Increasing the Participation of the Rural Poor in the 2001 Elections ("PAPE")
Amount	£774,000
Period	January 2001 - June 2003
Geographical Location	National + Ayacucho, Apurímac, Cajamarca, Huancavelica, Cusco and Puno
Implementing Agency	DFID: Project Manager, Giovanni Escalante
Partners	National Office for Electoral Processes (ONPE), Ombudsman's Office; Aproveh, Ipaz, SER, Pro-Mujer and Transparencia; USAID
Purpose	People living in the poorest regions of Peru able to participate effectively in the 2001 general elections.

Project Name	Support to Regional and Municipal Elections in 2002: Towards Pro-Poor Local Governance - EL GOL
Amount	£575,000
Period	July 2002 - June 2003
Geographical Location:	National + Ayacucho, Apurímac, Huancavelica, Cusco and Puno
Implementing Agency	DFID: Project Manager, Fernando Romero
Partners	National Office for Electoral Processes (ONPE), Ombudsman Office, USAID, IPAZ, SER, Asociación TV y Cultura, Quispicanchi, Calandria, CBC, Tariapaq, Aproveh, CICDA, REMURPE.
Purpose	Ensure that the electoral process to renew local governments and install regional governments is more inclusive of the poor and excluded people.

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Project Name	Enabling Poor People to Realise their Human Rights in Peru – (<i>Derechos, Inclusión y Desarrollo – DID</i>)
Amount	£2,145,000
Period	August 2002 - March 2005
Geographical Location	National + Ayacucho, Apurímac, Huancavelica, Cusco and Puno
Implementing Agency	Oxfam GB, Project Manager, Martin Beaumont
Partners	Ombudsman, Inter-institutional Committee for Social Affairs (CIAS), Local Government Large number of national, and local civil society organisations
Purpose	Facilitate strategies that enable the poor to realise their human rights, supported by civil society, government and the international community.

Project Name	Support for the Truth and Reconciliation Commission
Amount	£250,000
Period	February 2003 - July 2003
Geographical Location	National
Implementing Agency	Truth and Reconciliation Commission, UNDP
Partners	International Cooperation
Purpose	Clarify the process, facts and those responsible for terrorist violence and human rights violations caused both by terrorist organizations and agents of the State and to propose initiatives aimed at affirming peace and harmony among Peruvians.

Project Name	Improving the Health of the Poor: A Human Rights Approach
Amount	£900,000
Period	December 2003 - February 2005
Geographical Location	National + Huancavelica, Ayacucho, Cusco and Loreto
Implementing Agency	CARE Peru, Project Manager Ariel Frisancho Ombudsman's Office, Project Manager Danilo Fernandez; UNDP
Partners	Ministry of Health, Civil society, Local Health organisations
Purpose	Strengthen the processes of relations between the state and society in the health sector, promoting the right of Peru's poor people to health.

Project Name	Rural Education Development Project - RED
Amount	£600,000
Period	November 2002 - February 2005
Geographical Location	National + Piura, Cusco, San Martín and Amazonas
Implementing Agency	Ministry of Education, Project Manager Fanni Muñoz; UNDP
Partners	Ministry of Education, World Bank.
Purpose	Promote the participation of poor rural communities and parents and people in educational management, through pilot programmes to inform a) MINED and b) International Community support to the sector.

Project Name	Social Productive Programme - A Trabajar
Amount	£3,980,000
Period	March 2001 - May 2003
Geographical Location	Nationwide
Implementing Agency	Foncodes, Ministry of President/MIMDES, UNDP
Partners	Foncodes, Regional and Local governments, IADB, European Community
Purpose	Temporary employment generated and infrastructure maintained directed by improved participatory processes.

Project Name	Decentralized and Participatory Management of Social Programmes ("Fortalece")
Amount	£400,000
Period	October 2003 - January 2005
Geographical Location	National + Puno, Huancavelica and Apurímac
Implementing Agency	MIMDES, Project Manager, Carlos Herz; UNDP
Partners	Selected Regional and local governments, International cooperation
Purpose	Strengthened local and regional capacities for participatory, decentralised management of social investment programmes.

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Project Name	Strengthening Political and Financial Accountability for Pro-Poor Governance in Peru
Amount	£400,000
Period	December 2003 - January 2005
Geographical Location	National
Implementing Agencies	Transparencia, National Democratic Institute (NDI), International Idea, National Office for Electoral Processes (ONPE), IADB, Proética, Ciudadanos al Día (CAD)
Partners	Political parties, Municipalities
Purpose	Strengthen the mechanisms of responsiveness and accountability in political and fiscal governance by addressing the structural causes of embedded political exclusion and persistent economic inequity.

Project Name	Governance and Accountability in the Decentralised Social Sectors – RECURSO
Amount	£300,000
Period	March 2004 - September 2005
Geographical Location	Nationwide
Implementing Agency	World Bank
Partners	Social sector ministries, civil society
Purpose	Better understanding and foundation for improved governance and accountability in the decentralised social sectors.

This book is for anyone interested in poverty reduction in a context characterised by inequality and exclusion.

DFID has focused on the political dynamics of poverty in Peru in order to address the underlying causes of inequality and exclusion. This has meant engaging with political processes, supporting new spaces for dialogue and participation, and working with and building alliances between state, society and the international community.

There are many thought-provoking issues and lessons here for DFID and the international community, in Peru and beyond. In particular this book reflects on lessons around:

- Addressing poor people as citizens, with rights and responsibilities, as a key means of tackling inequality and exclusion.
- Working systemically with both the state and wider society, to achieve more inclusive development.
- Investing in alliances between those individuals and institutions that are committed to pro-poor reform.
- Acting openly, transparently and accountably, in tackling this more political agenda.

**DFID is the UK Department for International Development:
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