There has been a clear shift among the European development agencies in the 1990s towards greater commitment to poverty reduction objectives and only a few donors have bucked the poverty trend, the most obvious examples being France and Spain. The ‘committed’ donors have also shown a growing consensus on their stated operational aims for PR. Yet, the experience set out in the earlier chapters, if representative, also reveals surprisingly few examples of ‘good practice’ approaches being realized by these donors in their own poverty assessments, in their country strategies and dialogue processes or in their direct interventions on the ground relating to poverty reduction. A clear analysis of what poverty means, who the poor are, and which interventions are likely to benefit the poor most, is often strangely lacking. Even where poverty has been well conceptualized at headquarters level, as is the case for Denmark, Germany and Sweden, donor country strategies remain disappointingly short on strategic thinking. Part of the explanation for this seems to lie in the organizational structure and management systems of the donor agencies themselves.¹

_How well organized are donors for poverty reduction?_ It is difficult to prove a direct link between particular donor organizational structures and the level of PR impact the donor may achieve, particularly since there are many powerful determinants, such as the local context. Of course, the quality of management and organization is a major factor in the effectiveness of any aid delivery, whatever the objectives. We therefore concentrate on those aspects that seem to us, _a priori_, to be the most significant in making
delivery mechanisms more effective in reaching and benefiting poor people.

Three particular organizational or management features are examined here. First, there is the question of the central direction and guidance given to personnel in undertaking aid delivery for PR purposes. Even more important are the systems for motivating or disciplining the actions of personnel to achieve the poverty objectives, including systems for identifying and screening interventions and, of course, assessing performance in implementing PR objectives.

Second, there is the level of personnel, the balance of appropriate skills and the deployment to perform these tasks effectively. Especially important is the degree to which donor organizations decentralize their personnel and their decision-making responsibilities in the field or at the country level (from headquarters in the donor capitals). This is highly relevant to understanding the local poverty situation, to flexibility in responding to it and to effective coordination with other donors in the country concerned.

Third, there is the related issue of donor coordination. Systems for ensuring adequate learning and feedback on the lessons of experience are particularly important in tackling poverty issues because of the inherent difficulty of this process. In organizational terms this raises the question of the degree of focus in monitoring and evaluation systems on poverty-reducing effectiveness.

Transmission mechanisms: weaknesses

Central directives and operational guidance

There is generally a lack of central directives and clear operational guidelines for agency staff and implementing consultants on poverty reduction. Even among donors with explicit PR objectives, there are few which seem to drive these objectives operationally from the top of their organizations. Moreover, the country studies reveal a weakness in the mechanisms for transmitting to field staff the central policy frameworks on poverty of most donors.²

Some agencies have divisions or departments with specialist staff responsible for conceptualizing the poverty, gender and social aspects of their activities. Some have coordinating committees and scope for exchange of experience among staff. More recently one agency, Sida, has established a permanent task force on PR. Efforts