

DFID Global Social Exclusion Stocktake

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S.1. *'For DFID, social exclusion matters because it denies some people the same rights and opportunities as are afforded to others in their society....But social exclusion also matters to DFID because it causes poverty and gets in the way of poverty reduction.'* (DFID Social Exclusion Policy 2005 p5)

S.2. *'We see too little evidence that social exclusion is consistently part of DFID's core business, including but not only at country level.'* (DFID Quarterly Management Report Qtr2 2007-08)

1. Introduction

S.3. In June 2008, DFID's Evaluation Department commissioned a team of three independent consultants to report on progress so far in the implementation of the 2005 Social Exclusion Policy. Their final report was delivered in September 2009. This summary document explains the report's main findings, some implications for DFID, and the consultants' recommended actions from here.

2. Social Exclusion and DFID

S.4. DFID's Social Exclusion Policy was developed in response to growing recognition of the issue's role in undermining poverty reduction initiatives - and particularly due to a growing body of activity from South Asia. It defines social exclusion as follows:

S.5. *'...a process by which certain groups are systematically disadvantaged because they are discriminated against on the basis of their ethnicity, race, religion, sexual orientation, caste, descent, gender, age, disability, HIV status, migrant status or where they live. Discrimination occurs in public institutions, such as the legal system or education and health services, as well as social institutions like the household'*¹

S.6. The Policy emphasises that social exclusion is a dynamic, multifaceted process. It lists a number of challenges for DFID's activity, and sets out 10 public commitments in response to these challenges.

3. The Task

S.7. The team were tasked to report on three areas:

- the progress made by DFID towards the commitments set out in the 2005 Policy Paper Reducing Poverty by Tackling Social Exclusion
- lessons on how to make the implementation of the Social Exclusion Policy more effective
- recommendations for any final evaluation of the Policy

S.8. As an interim stocktake, rather than an evaluation, the study focused on Policy implementation only. The effects of exclusion on specific groups, for example, was beyond its remit.

S.9. The study took place over a year to carry out, including visits to two country offices, India and Ethiopia (who were conducting a parallel social exclusion stocktake). Five other country offices were reviewed remotely - Sierra Leone, Pakistan, Ghana, Malawi and Vietnam. DFID work across five policy areas (climate change, growth, conflict/fragility, trade) was considered, plus corporate priorities, the central research programme, multilateral and civil society partnerships and human and financial resource allocations.

S.10. The research encountered a number of challenges as it got underway. There are for example no systems for tracking or reporting on exclusion activity in DFID - so there is no evidence base for assessing resource allocations. There were very significant data limitations - much information was either difficult to source or simply unavailable. Despite these constraints, however, a clear and consistent narrative around Policy implementation did begin to emerge.

4. A Change of Focus

S.11. The study originally set out to assess DFID's progress against the accountability mechanisms developed to ensure the Policy's implementation - a Policy Implementation Plan

¹ DFID (2005) Reducing Poverty by Tackling Social Exclusion (p1)

(PIP) and an Evaluation Framework (EF).² It quickly became clear, however, that almost no knowledge or awareness of these mechanisms existed within the organisation. No postholders were aware of their responsibilities under the PIP, for example.

S.12. As a result, the research changed focus mid-stream. The Policy Commitments themselves became the framework for accountability; and the study was also tasked to consider lesson-learning around implementation. An Advisory Group set up within DFID to guide the stocktake endorsed this shift.

S.13. The change had a significant effect on both the way the study was carried out (with a new analytical framework having to be rapidly developed) - and on the findings themselves, as explained below.

5. Key Findings

5.1 Progress against Policy commitments

S.14. To address the first main research question, the study assessed DFID's progress against the 10 Social Exclusion Policy Commitments. It used a simple traffic light system:

- Green = evidence of good progress; the Policy Commitment met or on track to be met
- Amber = evidence of some or minor progress; but risk of a breach on the Commitment
- Red = little or no evidence of progress; significant risk of a breach on the Commitment

S.15. This progress is summarised below:

Policy Commitment	Status August 2009
1. Analyse the impact of exclusion on poverty reduction on all country programmes, in order to decide on priorities for work by region, country and sector in our CAPs and regional DDPs	Amber to green
2. Promote exchanges of best practice between national and regional organisations	Amber to red
3. Work with other UK government departments & Development Partners to include analysis of exclusion as a cause of conflict and insecurity in our approaches and responses to conflict prevention and reduction	Amber
4. Identify opportunities to address social exclusion in fragile states	Amber
5. Strengthening collection and analysis of statistics	Amber

² DFID Social Exclusion Policy Implementation Plan (2005) Gaynor and Watson (January 2007) Evaluating DFID's Policy on Tackling Social Exclusion: Evaluation Working Paper 22, DFID

6. Work with the World Bank and regional development banks, UN agencies, EC and other donors to make development work better for excluded groups. To include continuing substantial financial and technical support to strengthen their capability to take forward work in this area	Red
7. Increasing inclusiveness of our own human resources practices and strengthen the diversity in our workforce	Green (but not linked to the Policy)
8. Commissioning new research to ensure that adequate attention is paid to exclusion, inequality and rights in all our research	Amber with promise of green
9. Broaden and deepen our engagement with civil society to strengthen the contribution it can make to tackling exclusion	Green
10. To be accountable for implementation of the policy set out in this paper by evaluating progress in 2007-2008	Red

5.2 Status of Policy implementation

S.16. A clear and consistent 'story' around Policy implementation has emerged, as follows:

a) Corporate commitment

S.17. The report has found that there has been **very poor take-up and traction** of the Social Exclusion Policy. The PIP and EF have been neither disseminated nor deployed. Awareness levels of the Policy and its commitments are very low:

Internal Policy awareness: Of 71 DFID respondents across the cadres, only 23 had knowledge of the Policy, and the majority of these were unfamiliar with its content and commitments. Generally speaking, only those involved in the Policy development process (often Social Development Advisers), or staff who had led on exclusion issues in a country office, had a reasonable level of familiarity.

External Policy awareness: In contrast, there was much wider awareness amongst Civil Society Organisations (CSOs). All of those on this stocktake's external Advisory Group, and 4/6 interviewed for the India case study, were aware of the Policy, its definition of social exclusion and public commitments. However, the only multilateral agency personnel who knew of the Policy were former DFID advisers, one of whom had been closely involved in its development.

S.18. In contrast to the weak drive on the Policy at corporate level, however, the stocktake found that **country level planning and accountability frameworks are increasingly reflecting the issue**. 5 out of 7 country framework surveyed featured exclusion (often informed by a Gender and Social Exclusion

Analysis³). This was not, however, shaped by e.g. Divisional Performance Frameworks, since only that for South Asia contain an exclusion-focused indicator. Overall, a **growing groundswell of planning and accounting for exclusion** appears to be arising from **country, rather than corporate, level**.

b) Social exclusion in thematic policy areas

S.19. The stocktake was asked to consider the extent of exclusion activity within five emerging policy areas: growth, trade, fragile states and conflict, and climate change.

S.20. Evidence showed that exclusion is gradually becoming **increasingly reflected** within the discourses of these areas, particularly within conflict and growth. Its emergence is being facilitated and supported by wider international discourses – for example, those around inclusive growth. **Gender** is the factor that features most, perhaps as a result of the effort and energy DFID has placed into the separate institutional process on gender.

S.21. However, unsupported by any focused corporate drive on the Policy, the recognition of exclusion as an issue is **still very patchy** – and it is not yet significantly reflected within sample programming for these policy areas. Embedding exclusion with more consistency, and with a stronger intensity, will require **a far more concerted corporate ‘push’** in these areas than has taken place so far.

c) Building the evidence base

S.22. Consistent with the pattern emerging, the study found that there is **increasing demand from country offices** for analysis, research and statistical data around exclusion:

Country analysis and planning

A fairly high proportion (9/13 of country planning documents surveyed) included evidence of exclusion analysis informing planning. In the two contexts studied in situ, DFID India had commissioned 6 recent or current exclusion-focused studies, and in Ethiopia – where exclusion does not yet feature in the country planning or accountability framework – DFID had commissioned 8 relevant studies, with 4 more forthcoming).

S.23. The **Gender and Social Exclusion analytical tool** (GSEA) is demonstrating good levels of take-up. Although it remains mandatory only in South Asia, seven countries in Africa have used in their country planning processes.

S.24. There is evidence that the body of knowledge being generated is starting to influence DFID, partner, and national policy and programming activities:

³ The GSEA was developed as a direct result of the Social Exclusion Policy

Good Practice example: Exclusion-focused analysis informing programming:

Ethiopia's Protection of Basic Services Phase II programme is DFID's largest investment in the country – and at \$540m, the second largest International Development Association programme ever. With growing recognition of the significance of exclusion issues in Ethiopia, DFID Ethiopia commissioned and funded on behalf of Development Partners a Social Inclusion and Gender Annex to the Programme Memorandum. They have also supported with a contribution of around \$1.5 million the integration of social accountability pilots into programme design. These pilots will support citizens and civil society organizations to ensure that basic service delivery is more effective, efficient, responsive and accountable in Ethiopia.

S.25. Once again, the stocktake found very few lines of attribution from this groundswell of activity at country level up to the corporate Social Exclusion Policy. Instead, the demand for analysis and statistical datasets were happening **in response to the demands of the local context** – and a growing awareness that equitable and inclusive development, alongside successful influencing of national and partner policy and planning, depends on a robust and detailed evidence base.

d) Working with partners

S.26. Given DFID's significant and growing contributions to multilateral agencies (MLAs) – over £1.9 billion in 2007/08 – the stocktake was asked to review the extent to which exclusion features in partnership agreements and MLA activity. This was a complex area to explore, since, as with DFID, there is no common understanding of social exclusion amongst these partners – far less monitoring or tracking systems for the issue.

S.27. The stocktake found that the **lack of a common framework for understanding** was severely limiting dialogue.⁴ However, despite some clear entry points (e.g. in the current European Union-DFID partnership agreement, and World Bank / UNDP current strategies), there is **little evidence of effort** to generate this shared understanding, or to raise the issue more strategically. None of the central DFID interlocutors with these agencies were aware of either the Policy, or of exclusion being raised in policy dialogue.

S.28. Once again, the story was different at country level – as the following example from India shows:

DFID-MLA partnership agreements at country level

Recent DFID India Trust Fund agreements with explicit mention of social inclusion / inclusive growth include World Bank (2008-13), Asian Development Bank (2008-13) and UN Development Assistance Framework (2008-2012)

S.29. The limited engagement at MLA central level has been a **missed opportunity** for DFID so far.

⁴ See the DFID India and DFID Ethiopia case studies for evidence of this.

It will need to respond more coherently here if it is to successfully address this Policy commitment.

S.30. A contrasting picture emerges however around DFID's work with civil society organisations (CSOs). The study found that DFID is directing a substantial proportion of its CSO resource streams to addressing exclusion, with over half (62%) of 2005-8 Programme Partnership Agreements and 92% of sample 2005-2008 Civil Society Challenge Fund grants focusing upon it to some extent. A clearer shared understanding of exclusion seems to provide a platform for this greater level of activity.

6. Lessons learned

S.31. The study distilled the following lessons to help the implementation of the Social Exclusion and possibly other DFID policies and strategies. (The complete set of lessons learned is in the full report):

a) Corporate commitment

- A DFID Policy document- even if it is accompanied by a full implementation architecture – may not drive activity without other incentives such as accountability frameworks, human and financial resources etc
- A Policy and a development issue can operate within the DFID system in separate and parallel universes – without necessarily finding the points of intersection to meet or inform one another
- The discourse of 'social' exclusion is a constraint – the broader term 'exclusion' seems to have more currency

b) Thematic policy areas

- The Social Exclusion Policy can provide a useful aggregate narrative for addressing exclusion in policy areas where awareness of its role as a core development issue exists
- Without a strong corporate process around Policy implementation, exclusion issues may start to emerge as relevant – but this will only be on an ad-hoc basis, largely dependent on individual effort, rather than as a more comprehensive or strategic approach
- Resources (human and financial) are very constrained, but can be more strategically used to maximum effect to enable a comprehensive response to exclusion issues

c) Building the evidence base

- Analysis provides the evidence basis to impact upon national and partner policy and planning. It also helps bring together the DFID response, across country offices and advisory cadres. The GSEA is a very useful tool for this.
- There are powerful intersections between exclusion, socio-political and political economy concerns. These cannot be separated at country

context level and their understanding needs to be shared between development partners

- Accountability frameworks – reflecting e.g. disaggregation to monitor exclusion-related impacts – are a key driver in embedding exclusion into corporate activity.

d) Working with partners

- An explicit effort needs to be made to generate a more coherent, strategic and high level dialogue with multilateral partners in particular.
- With civil society partners, there is far greater common understanding. This provides a platform for increased levels of activity

7. Implications for DFID

S.32. Overall, the study has found a *clear and consistent narrative* emerging around the current status of DFID Social Exclusion Policy implementation. *Corporate systems and incentives are performing inadequately* to enable a systematic addressing of the Policy Commitments. This is resulting in a *fragmented institutional response* to generating the comprehensive body of exclusion-focused activity required to meet these Commitments. *Insufficient energy* is being devoted to developing a *common and strategic discourse of exclusion*, both within the organisation and externally.

S.33. However, there appears to be a *growing body of quality activity on exclusion* within DFID. This is reflected in:

- A significantly increasing amount of exclusion-focused analysis
- Use being made by country offices of the Gender & Social Exclusion Analysis
- Exclusion's prevalence within DFID's new central research agenda
- Proportionately strong deployment of civil society funding streams towards addressing exclusion
- An increased focus on exclusion issues within sample country planning and accountability frameworks and:
- An emerging discourse on exclusion within new policy areas such as conflict, fragile states and growth

S.34. This groundswell of activity is arising *in response to the reality of development contexts*, rather than being attributable to the corporate Policy process. The Policy and the development activity seem to be functioning in *separate and parallel universes*, without the points of intersection needed to inform and influence each other.

S.35. While growing in significance and scale, the current body of exclusion-related activity

currently is *neither comprehensive nor (in aggregate) strategic*. The study's findings mean that DFID should adopt a *clearer position and a more comprehensive approach* to addressing exclusion within its activity. A changed approach will be needed going forward in order to mitigate potential *reputational, efficiency and accountability risks*.

8. Going forward

S.36. To help translate the rhetoric of the Policy into reality of delivery, the stocktake suggests two potential directions of travel for DFID:

- *Scale up activity* on exclusion to achieve the Policy commitments, and / or
- Demonstrate a *clear and robust alternative position* to the Policy and its commitments

S.37. The full report sets out four specific options, alongside their challenges and opportunities. Senior management have so far indicated that they would prefer the option of retaining the Policy and its commitments, along with a potentially revised implementation architecture.

8.1 Key areas of opportunity:

S.38. To help DFID progress the social exclusion agenda, the study identified the following opportunities:

- **Analysis** – as the evidence base underscoring DFID strategy, policy and programming engagement, analysis brings together both the DFID response and provides the evidence base to influence partners
- **Discourse** – Entry points within MLA strategies and e.g. the emerging narrative on inclusive growth offer opportunities for more coherent and strategic discourse with partners
- **White Paper 4** – which offers significant entry points for exclusion within e.g. conflict (inclusive political settlements), growth and trade (protecting the poorest from the economic downturn) and working with multilaterals (ensuring that their work focuses more on the poorest peoples and countries)
- The **Gender Equity and Women's Equality** policy process, which offers a good example of what can be achieved where corporate effort and resources are applied

8.2 Recommendations

S.39. To support DFID's shift from the rhetoric of Policy towards reality of action, the report makes

the following recommendations (summarised here):

1. The **Gender and Social Exclusion Analysis (GSEA)** provides a powerful tool for joining up understandings and discourse around exclusion, and for building the evidence base to inform programming and dialogue. The report recommends that the GSEA become mandatory (again) for country planning.
2. Equity and Rights Team (ERT) should work to develop a **clear internal position and discourse around exclusion**, using the GSEA as a tool. This presents an opportunity to politicise exclusion more explicitly, to apply new narratives of 'inclusive growth'; and to move beyond group-focused activity
3. Entry points within **White Paper 4** (conflict, growth and trade) should be seized and acted upon. Emphasis should be placed on the fundamental role of exclusion within DFID priorities i.e. reaching the poorest and achieving the MDGs.
4. There should be a focus on **generating a shared discourse / priorities with OECD DAC and / or G20 partners**. Key entry points include the forthcoming World Bank Social Development strategic review, the current UNDP Strategic Plan, the EU-DFID Institutional Strategy Paper, and the expertise of partners such as Brazil.
5. ERT staff should review the **Gender Equity and Women's Equality (GEWE)** institutional process, to identify learning and points of intersection between GEWE and the Social Exclusion Policy process.
6. A more dynamic Policy review and refresh cycle will help generate greater points of intersection between DFID's Policy and its actual development activity. A **future evaluation** may form part of this cycle. We recommend that any future study/evaluation address:
 - Policy effectiveness – rather than implementation, and
 - Opportunities to generate a common discourse around exclusion with development partners – e.g. by conducting any future evaluation jointly, and including a focus on one or more multilateral agencies.

DFID STATEMENT OF PURPOSE

DFID, the Department for International Development: leading the British Government's fight against world poverty. One in six people in the world today, around 1 billion people, live in poverty on less than one dollar a day. In an increasingly interdependent world, many problems – like conflict, crime, pollution and diseases such as HIV and AIDS – are caused or made worse by poverty.

DFID supports long-term programmes to help tackle the underlying causes of poverty. DFID also responds to emergencies, both natural and man-made.

DFID's work forms part of a global promise 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.

Together, these form the United Nations' eight 'Millennium Development Goals', with a 2015 deadline. Each of these Goals has its own, measurable, targets.

DFID works in partnership with governments, civil society, the private sector and others. It also works with multilateral institutions, including the World Bank, United Nations agencies and the European Commission.

DFID works directly in over 150 countries worldwide, with a budget of some £5.3 billion in 2006/07. Its headquarters are in London and East Kilbride, near Glasgow.

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