

**REPORT OF THE INTERNATIONAL CONFERENCE ON POVERTY
REDUCTION STRATEGY IN AFRICA—A NEW IMPOSED
CONDITIONALITY OR A CHANCE FOR A MEANINGFUL
DEVELOPMENT POLICY?**

**17th to 18th June 2002
Intercontinental Hotel, Lusaka, Zambia**

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ACRONYMS

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| AIDS: | Acquired Immune Deficiency Syndrome |
| CBMES: | Community Based Management and Evaluation System |
| CSO: | Civil Society Organizations |
| CSPR: | Civil Society for Poverty Reduction |
| DDCC: | District Development Coordinating Committees |
| ECOWAS: | Economic Commission for West African Countries |
| FES: | Friedrich Ebert Stiftung |
| GDP: | Gross Domestic Product |
| GPRS: | Ghana Poverty Reduction Strategy |
| HDI: | Human Development Index |
| HIPC: | Heavily Indebted Poor Countries |
| HIV: | Human Immuno-Virus |
| IDP: | Internally Displaced Persons |
| IHS: | Integrated Household Surveys |
| ILO: | International Labor Organization |
| IMF: | International Monetary Fund |
| IFMIS: | Integrated Financial Management Information System |
| INESOR: | Institute for Economic and Social Research |
| I-PRSP: | Interim Poverty Reduction Strategy Paper |
| JCTR: | Jesuit Center for Theological Reflection |
| MP: | Member of Parliament |
| NEPAD: | New Partnership for African Development |
| NGO: | Non-Governmental Organizations |
| PAF: | Poverty Action Fund |
| PAFMC: | Poverty Action Fund Monitoring Committee |
| PEAP: | Poverty Eradication Action Plan |
| PPE: | Priority Poverty Expenditure |
| PRGF: | Poverty Reduction and Growth Facility |
| PRSP: | Poverty Reduction Strategy Paper |
| SAP: | Structural Adjustment Programme |
| SARPN: | Southern African Regional Poverty Network |
| SADC: | Southern African Development Community |
| SHD: | Sustainable Human Development |
| SSA: | Sub-Sahara Africa |
| UNDP: | United Nations Development Programme |
| UDN: | Uganda debt Network |
| WB: | World Bank |
| WEP: | World Employment Programme |
| ZANACO: | Zambia National Commercial Bank |
| ZESCO: | Zambia Electricity Supply Corporation |

1. Introduction

The two-day conference began with introductory remarks from the facilitator for the conference who welcomed all the participants to the conference. He hoped for fruitful discussions to enable countries present to move towards a better future in terms of poverty reduction.

This was followed by welcome remarks by the Resident Director of Friedrich Ebert Stiftung, the organizers of the conference. He gave a brief background to the series of conferences that his organization has held to find appropriate pro-active policies for economic development in Africa. He said that the Poverty Reduction Strategy Papers drafted in African countries were important to guide governments in fostering development. He stated that the participants to the conference represented nine African countries: Angola, Ghana, Madagascar, Malawi, Mozambique, South Africa, Tanzania, Uganda and Zambia. They had been brought together to discuss the future in terms of poverty reduction and best practices for economic development in Africa.

2. Official opening

The Minister of Finance and National Planning, Honorable Emmanuel Kasonde officially opened the conference. In his statement, the Hon. Minister of Finance and National Planning:

- Expressed his sincere thanks to the Friedrich Ebert Stiftung for organizing this international conference on the theme “*poverty reduction strategy-a new imposed conditionality or a chance for a meaningful development policy?*”.
- Observed that the timing of the conference was most appropriate in view of the recent decision jointly taken by the executive boards of the World Bank and the International Monetary Fund to endorse Zambia’s poverty reduction strategy paper (PRSP).
- Noted that the conference grew out of the necessity to improve general understanding of the extent to which parliaments working closely with civil society organizations can cooperate with governments and concerned bilateral and multilateral donors in realizing effective and broad based public participation in the formulation and implementation of ‘pro-poor’ development policies.
- Declared that the new deal government enthusiastically welcomed this initiative because the government believed that members of parliament and civil society organizations have a pivotal role in terms of mobilizing their constituents to fully participate in poverty reduction programmes.
- Further noted, that the ‘New Deal’ government is inclined to the view that the synergies that can be unleashed as a result of government, parliamentarians and civil society working together can significantly enhance the successful realization of the ‘poverty free’ vision enunciated in Zambia’s PRSP.

The Hon Minister, further:

- Observed that the Zambian people and their government considered the repositioning of poverty reduction at the center stage of the international development community's agenda as a very auspicious development.
- Pointed out that the re-emergence of this focus following nearly two decades characterized by the preoccupation with stabilization and adjustment signaled the emergence of a sobering realization that in spite of the reasonable level of growth during several years in Zambia in the context of stabilization and structural reform initiatives, poverty still remained a formidable challenge.
- Noted that what was even more disconcerting was the realization that the depth of poverty and its severity as measured by the 'mean poverty gap' was fast worsening as the majority of Zambia's citizens continued to consume less than \$1 a day. our statistics reveal that the poverty level in the country is averaging 73 percent while the rural regions' average is above 80 percent.
- Solemnly observed that under such conditions, poverty could slowly jeopardize the sustainability of all the country's major post-independence accomplishments in the realm of sustainable human development.

In providing a holistic overview of Zambia's Poverty Reduction Strategy Paper (PRSP) covering the 2002-2004 period, the Hon. Minister highlighted the following salient points:

- Firstly, the country recognizes that economic growth constitutes an important element in poverty reduction and, consequently, a very high premium is being placed on growth-stimulating interventions.
- Secondly and in similar vein, the new deal government recognizes that redistributive policies are critically important in reducing poverty and that *growth* and *equity* are not necessarily conflictive. As a country, Zambia maintains that there is no intrinsic trade-off between long run aggregate efficiency and overall equity and, hence, the country's resolve to approach poverty reduction through the 'broad-based growth' approach.
- Thirdly, Zambia maintains that the necessary linkages between growth and poverty reduction can be developed in a sustainable way but only through an approach that allows everyone to equitably share the benefits of sustained growth. Although, under the right circumstances, sustained growth does often result in poverty reduction, rising inequality may trigger adverse impacts and it is in this regard that the role of social safety nets is considered to be an important component in the PRSP.
- Fourthly, a differential approach to poverty reduction would be applied depending on the location characteristics of the poor. For rural dwellers, the emphasis on agriculture

recognizes both the fact that the majority of the poor in Zambia live in these locations and that their main preoccupation is agrarian. With respect to the urban poor, support for the informal sector seems logical since it is here where the grassroots' efforts to cushion against declines in real incomes find expression. For both the rural and urban areas, the improvement of infrastructure is a strategic necessity for better market integration and productive efficiency and this is receiving priority attention in the PRSP.

- Fifthly long periods of neglect in infrastructure maintenance due to, *inter alia*, the curtailment of development budgets in the interest of attaining fiscal balances has resulted in a regrettable and serious deterioration of transport networks. The major transport arteries that connect the countryside to the market had therefore been focused upon in the PRSP so as to ensure basic minimum connectivity for moving the poor people's income-yielding commodities over long distances.

In concluding his opening statement, the Hon. Minister:

- Urged all participants to take advantage of the conference to engage in a candid and constructive debate regarding the challenge of poverty reduction in Africa.
- Advised all stakeholders to correct governments in the event of policy failures as well as commending governments in the event of policy successes detected, and to eschew the persistent tendency to loudly censure governments when policy implementation falls short of desired outcomes and to keep quiet when government policies are fruitfully realized.
- Challenged the conference to generate concrete and realizable policy recommendations that would facilitate the delivery of tangible and measurable benefits to the poor, who in the ultimate analysis are the intended beneficiaries of poverty reduction programmes.

3. Keynote speeches

Two keynote papers were presented at the conference.

3.1 The first keynote paper entitled "The Poverty Reduction Strategy Paper Concept and its Connection with the HIPC Debt Relief" was delivered by the Resident Representative of International Monetary Fund (IMF), Dr. Mark Ellyne.

Introductory Overview

In his presentation, Dr Ellyne began by providing a background to the evolution of the Poverty Reduction & Growth Facility (PRGF). It was against this background that he informed the conference that in September 1999, the IMF replaced its Enhanced Structural Adjustment Facility with the PRGF. He went on to point out that 77 low income (under \$900

per capita income) countries were identified as being potentially eligible in terms of benefiting from the PRGF mechanism.

Background to the Poverty Reduction & Growth Facility

The IMF representative drew the conference participants' attention to the PRGF's policies, which focus on:

- Integrating poverty reduction with macro-economic policies by budgets that are more pro-poor.
- Emphasizing good governance by promoting transparency and accountability, and improving the management of public resources, and
- ensuring domestic ownership of poverty reduction interventions

Dr Ellyne also summed up the three most essential components of the Poverty Reduction Strategy Paper concept by observing that:

- PRSPs represent a medium-term strategy that underlies the PRGF supported programs and budget preparation.
- PRSPs are formulated on the basis of comprehensive and nationally owned plans prepared by governments with the active participation of civil society, NGOs, donors and international institutions.
- The papers (PRSPs) have to secure the endorsement of the Boards of the World Bank and the IMF as the basis for donor concessional lending and for debt relief under the enhanced HIPIC initiative.

Characteristics of Effective Poverty Reduction Strategies

Having outlined the most essential components of PRSPs, the IMF Representative went on to identify the characteristics of effective poverty reduction strategies. In specific terms he highlighted the:

- Overriding importance of a broad based participatory process intended to generate a country driven poverty reduction strategy, based on the twin pillars of national ownership and partnership with Civil Society Organizations.
- Necessity of carrying out accurate poverty diagnosis through data analysis.
- Urgency of formulating coherent, realizable and achievable long term plans for poverty reduction.
- Importance of ensuring that actions taken will have the highest ameliorative impact on the poor.

- Need to develop reliable and scientifically accurate indicators to monitor progress and assess effectiveness of specific anti poverty interventions.

Key Strengths and Potential Weaknesses of Zambia's Poverty Reduction Strategy Paper(PRSP)

With regard to Zambia's Poverty Reduction Strategy Paper, the IMF Representative indicated that the Zambian paper manifested the following strengths:

- Zambia's PRSP had emerged from a strong participatory process that had involved civil society and donors.
- There had been good use of both qualitative and quantitative data which had provided a good overall profile of poverty and its causes.
- The focus in Zambia's PRSP on growth, diversification, governance and social issues deserved commendation as progress in these spheres could help empower the majority of the core poor with sustainable livelihoods.
- The existence of an appropriate and consistent macro-economic framework would facilitate the successful realization of the major goals of Zambia's PRSP.
- Zambia's PRSP had evolved as a result of having prioritized of certain key sectors in terms of their impact on pro-poor growth.
- An ambitious program to improve both political and economic governance as well as reducing corruption offered a favorable policy and institutional environment within which Zambia's PRSP could be successfully implemented.

Some weaknesses in Zambia's PRSP noted were:

- The need for deeper analysis in the relationship between policies that promote growth and those that reduce poverty.
- Some of the core goals and targets of the PRSP appeared too ambitious.
- Targets and indicators needed to be further refined to ensure that they were realistic and could be monitored within the timeframe allotted of the PRSP.
- More details were required on the financing of the PRSP.

The paper also disclosed that Zambia's performance under the HIPIC initiative had been generally favorable as the country had reached its *decision point* in December 2000, based on a nominal debt stock of \$6,459 million at the end of 1999 with a net present value of \$3,999 million.

Critical Assumptions Determining Zambia's Beneficial Participation in HIPIC

In order for Zambia to continue benefiting under HIPIC, the country would have to comply with the following benchmarks:

Macro-economic and Structural Reforms

- Continuity in terms of meeting targets under the IMF and World Bank's lending programs.
- Implementation of the Integrated Financial Management Information System (IFMIS) on a pilot basis.
- Implementation of a Medium Term Economic Framework.
- Privatization of ZESCO and ZANACO.

Poverty Reduction

- The adoption of the PRSP and an objective assessment of its performance in terms of making measurable impacts on poverty after one year of its implementation

Progress in Education sector

- Increase the educational sector's share of the budget from 18.5 % to 20.5 %.
- Raise the compensation for teachers above the poverty line in the rural areas.
- Increase student retention in provinces outside the 'line of rail'.

Progress in combating HIV/AIDS

- Creation of a National AIDS Council.
- Implementation of HIV/AIDS education programs in government ministries.

Progress in the Health Sector

- Action plan for malaria prevention.
- Transparent mechanism for drug procurement .
- Timely release of complete, detailed health data.
- Release of at least 80 % of budget to District Health Management Boards.

Conclusion

The paper concluded on an optimistic note by observing that the seal of approval granted by the boards of the WB and the IMF to Zambia's PRSP represented a major step towards

meaningfully addressing the challenge of poverty reduction. It was accordingly observed that if the country could fulfill the critical benchmarks as agreed with the its Cooperating partners, Zambia could reach its PRSP completion point in 2003.

3.2 The second keynote paper entitled Poverty Reduction Strategy Paper and Development—An African Perspective was delivered by Prof. Dr. Oliver Saasa of the Institute for Economic and Social Research (INESOR)

Definitional Challenges

In commencing his presentation, Prof. Saasa observed that:

- Consensus on a universally accepted definition of human poverty is yet to emerge;
- poverty has for many years been perceived as largely an economic condition that can be solved by using primarily economic solutions;
- improvement in national income levels, for example has tended to characterize the contemporary analysis of poverty;
- a number of multilateral institutions that tried during preceding decades to address poverty by perceiving it exclusively through ‘economic spectacles’ have been disappointed by the emerging realization that while economic growth is very important for poverty reduction, it is never sufficient;
- Zambia had been a victim of this rather belated discovery after many years of experimentation by those institutions that, only recently, had come to realize that their quick fix diagnosis and prescribed remedies had been part of the problem rather than the solution to the deepening poverty levels in the country;
- economic growth can nonetheless can be a powerful means to eradicate poverty. Positive GDP growth rates can raise the poor people’s productivity and incomes and it expands their opportunities in a number of important ways;
- whilst phenomenal economic growth has been cited in explaining the unprecedented leap from poverty on the part of the industrialized countries and the Newly industrializing countries of South East Asia, economic growth in Sub-Saharan Africa had not registered a significantly ameliorative impact on poverty;
- economic growth may not have produced the desired results in SSA either because it was insufficient or too slow or, perhaps more importantly, it has not been sufficiently pro-poor in both its quality and structure;
- recognition of the weaknesses of ‘economic variables’ in explaining poverty led to the development of broader conceptualization of poverty. In the new paradigm, poverty is defined by the Human Development Index (HDI) that is based on such aspects as life

expectancy, infant mortality, nutrition, literacy, school enrollment, and access to safe drinking water. These human dimensions are expressed, for the purposes of measurement, by a number of variables that include the index of life expectancy at birth, the educational index, and standard of life, as measured by real per capita. In short the HDI is a composite of three basic components of human development, namely longevity, knowledge and standard of living.

The Nature and the Role of PRSP

Professor Saasa further observed that:

- there was wide acceptance among all the major stakeholders that structural adjustment programs (SAPs) and the attendant monetary and fiscal measures promoted by the Breton Woods institutions over the past two decades have failed to generate the anticipated level of improvement in economic performance and social welfare;
- ‘religious’ implementation of the SAPs left many developing countries with huge and unsustainable debt burdens;
- granting of debt reduction for these countries, albeit in different form and magnitude has therefore become a major development issue on the agenda of both developed and developing countries;
- developing countries broadly advance the view that outright debt cancellation should be embarked upon, because financial loans extended by the World Bank and the IMF were accompanied by policy prescriptions (under adjustment lending) that failed to bring forth the promised results;
- the counter argument maintains that there was no inherent problem with SAP policies per se and apports blame on the commitments made by borrowing countries and the faulty structures and institutions in these states;
- out of this ‘deadlock’ emerged the PRSP approach, which outlined responsive measures to be undertaken both by borrowers and creditors. It was against this background that the World Bank and the IMF decided in September 1999 that developing countries should prepare ‘nationally owned’ participatory poverty reduction strategies and that these would henceforth provide the basis of all IMF/World Bank concessional lending as well as debt relief under the enhance Heavily Indebted Poor Countries Initiative (HIPIC);
- this new approach had resulted in the ongoing development of PRSPs by African countries for submission to the boards of the World Bank and the IMF;
- core principles as outlined by the Bank and Fund as being fundamental in the preparation of PRSPs/poverty reduction strategies are;

- ⇒ *Country Driven*: they should involve broad-based participation by civil society and the private sector in all operational stages.
- ⇒ *Results oriented*: they should be focused on outcomes that shall benefit the poor.
- ⇒ *Comprehensive*: they should recognize the multidimensional nature of poverty.
- ⇒ *Prioritized*: their implementation should be feasible in both fiscal and institutional terms.
- ⇒ *Partnership oriented*: they should involve co-coordinated participation of development partners, and
- ⇒ *Long-term perspective*: they should be based on poverty reduction that is long term in perspective.
- in response, creditor nations committed themselves to cancel debt to countries that would demonstrate strong commitment to poverty reduction as evidenced by the formulation and implementation of PRSPs;
- in effect, the approach towards poverty reduction embodied by the PRSP paradigm, could be considered as a triumph for civil society organizations, which have in the past vociferously campaigned against World Bank/IMF policies in the name of the poor;
- as of mid 2002, a good number of Sub-Saharan African countries, including Zambia had already developed Poverty Reduction Strategy Papers (PRSP s) that, with the support of the World Bank and the IMF, aim to better plan poverty reduction interventions.

PRSP: A New Conditionality or a Ray of Hope?

In addressing the above question, Prof. Saasa noted that:

- there is no straightforward answer to this question for the success of PRSPs in Africa is yet to be recorded;
- many analysts optimistically believe that this new approach potentially provides African governments with the opportunity to occupy the driving seat as well as ensuring the participation of civil society organizations thereby promoting accountable and transparent concerted effort against poverty;
- PRSP skeptics, on the other hand argue that the PRSP paradigm in fact reinforces conditionality and constitutes a new subtle mechanism to delay debt cancellation/reduction.

PRSP Strengths

Professor Saasa illustrated the following strengths of the PRSP paradigm:

- Poverty concerns are for the first time being placed at the center of the policy making process, thus constituting the strongest merit of the new approach.
- Under the auspices of the PRSP paradigm, ownership by African governments, civil society organizations and ordinary citizens of their country's poverty reduction strategies is made feasible.
- The PRSP paradigm seeks to address poverty reduction in a comprehensive manner integrating macroeconomic, structural, sectoral and social elements in a consistent and integrated policy framework.
- The PRSP approach is essentially oriented towards the production of outcome/results that tangibly and measurably reduce poverty in the most vulnerable and disadvantaged strata of the poor.

PRSP Weaknesses

Professor Saasa drew attention to the following weaknesses inherent in the PRSP Paradigm:

- Extremely poor countries or 'failed states' may be inadvertently punished on account of their lack of capacity in preparing realistic and 'salable' PRSPs, whilst those states with higher capacity in respect of designing credible anti-poverty blue prints will be more strongly placed in terms of accessing debt relief under HIPIC.
- It is highly questionable to what extent PRSPs can be expected to be truly government or nationally owned when in the final analysis their adoption depends on whether or not they secure endorsement by the World Bank and IMF boards.
- The pressure exerted on PRSP to fulfill macroeconomic conditions on the one hand appears to be at variance with the urgent need to address microeconomic poverty challenges and may generate tensions which might ultimately breakdown the entire poverty reduction process.
- The meaningful participation of civil society envisaged in the PRSP process may well be excessively ambitious given the willingness and capacity limitations that exist both on the government and civil society sides. Poor quality of available data, weak infrastructure and resources for collecting additional data, and low analytical capacity are for example some of the constraints that are characteristic in an average African country. Non-Governmental interest groups are more often than not plagued with similar limitations, which severely constrain their capacity for policy dialogue.
- Donor views about PRSP processes may not be similar and therefore, may show different commitment in coming forward with intellectual or financial contributions. Donor hesitation could be prompted by legitimate doubts regarding the validity and sustainability of the process and/or the reservation that increased donor involvement would be at variance with the quest for increased national ownership.

- Despite the high emphasis placed on *local ownership* by the Bank and the Fund, PRSPs are in essence a conditionality for accessing Bank and Fund resources. As such, though these papers may be important and appropriate in poverty reduction, the wider context of conditionality in which they are prepared ought not to be underemphasized.
- It remains unclear whether or not the World Bank and IMF inspired Poverty Reduction Strategy Papers automatically become African countries poverty reduction Plans in view of the negative and dismissive manner with which *central planning* was abandoned during the SAP era when the power of *market forces* was over exalted.

Conclusions

In concluding his presentation, Prof. Saasa made the following observations:

- Given the implication in the PRSP paradigm that the IMF and the World Bank have to endorse African poverty reduction interventions before they are disseminated, what does that entail for local ownership and the real value of the one year long consultative process that by and large characterize the preparatory process?
- World Bank and IMF bureaucrats may not have accorded sufficient attention to the implications arising out of terminologies such as ‘participatory’, ‘country driven’ and ‘partnership oriented’ that dominate the six core principles of PRSPs. It is therefore important not only to use the right language, but also to understand the full meaning and implications arising from the phraseology vis-à-vis their evident challenge of how systems are operating.
- If PRSPs are to ultimately assume the supreme role of being the prime *national* plans and strategies for addressing poverty in poor African countries, then the role of the national citizens (who include the poor people themselves) and their governments in the approval, adoption and endorsement of these anti-poverty blueprints should be paramount.
- All things considered, on the basis of the available empirical evidence, it would be unrealistic to simplistically condemn the PRSP paradigm in Africa as an external imposition. It would be equally unrealistic to remain unmindful of the new challenges and built in contradictions with which Africa must come to grips as the continent endeavors to fine-tune its development agenda to effectively confront rising poverty levels.

Discussion

The discussion following the presentation of the two keynote papers took the form of comments and questions on issues raised as follows:

- The importance of labor standards and living wages was recognized. In this regard, it was pointed out that in order to reduce poverty levels, there was need to minimize tax on income/wage.
- The issue of subsidies on agricultural inputs was raised and it was accordingly recognized that in order to compete favorably with imports from outside Africa, there was need to address the issues of subsidies objectively, particularly in respect of vulnerability of African economies.
- Concern was raised as to whether the PRSP is another example of putting ‘new wine into old bottles’. In other words, is PRSP not disguised version of SAP? In addition, some participants felt that the IMF tended to prescribe the same solution for all African regardless of their peculiar circumstances.
- Attention was brought to the tendency of overemphasizing domestic/internal factors as a principal cause for poverty in Africa without taking into the full impact of exogenous such as the unequal terms of trade etc.
- Some participants underlined the importance of evaluating previous programs like SAP to find out what worked and what did not in order to ensure that past mistakes are not repeated in the PRSP process.
- It was also pointed out that the jargon used by the IMF/WB with regard to PRSP was too complex and technical not only for government officials but for ordinary citizens to comprehend. This aspect tended to work against popular participation in the PRSP process.
- The link between economic growth and poverty reduction was brought out and it emerged that impressive economic growth statistics do not always translate into sustainable poverty reduction impacts for the core poor.
- Participants were also interested to know how realistic it was for most, if not all the countries to reach the IMF /WB benchmarks within the stipulated timeframes. And since approval criteria was set by the IMF/WB, whether there was genuine national ownership

Responses

- It was conceded that SAP did not have participatory aspects and did not involve key stakeholders, civil society organizations, ordinary people etc. There was therefore no national ownership of the process.
- There was general agreement that the PRSP process was indeed complex, but efforts were being made to reduce on the complexity by holding gatherings like the current conference.

- As regards the perception that PRSP was a blanket solution, it was pointed out that it was in fact country specific and hence each country being requested to write their own paper.
- It was further pointed out that countries were being encouraged to develop policies and strategies which would provide sustainability to the PRSP process.
- It was also noted that in order to reduce poverty levels what was important was how the available resources were distribution.
- As regards debt relief, it was noted that the HIPC strategy was about reducing the cost of debt and eventually growing out of it as a pre-requisite to eventual economic growth.
- Concerning the relationship between the IMF and World Bank and the benefiting countries, although the partnership was dependent on mutual respect, the providers of the funds needed to be convinced that the proposed strategy was the best for appropriate use of resources.

4. Country Presentations

After the extensive discussion of the keynote papers which set the mood for the overall conference discussions, each of the participating countries were requested to make presentations of the situation of the PRSP within their countries.

4.1 Zambia

There were two presentations from Zambia, one for the Ministry of Finance and National Planning, representing the government perspective, and the other from the Civil Society for Poverty Reduction, representing the civil society view.

➤ Government Perspective

The Government perspective was presented in a paper entitled **‘PRSP Conceptual Framework, Implementation, Monitoring and Evaluation: The Role of Different Stakeholders’** delivered by Mr. By Mr. James Mulungushi, Director, Planning and Economic Management, Ministry of Finance and National Planning.

Introduction

Mr. Mulungushi commenced his presentation by stating that:

- the Poverty Reduction Strategy Paper is a medium term development plan sensitive to economic growth, poverty reduction and cross cutting issues such as HIV/AIDS, environment and infrastructure;

- the need to prepare a PRSP arose out of the realization that structural adjustment programs (SAPs) ignored poverty reduction issues. These programs mainly focused on macroeconomic stabilization aimed at ensuring efficient use of resources.

Formulation of PRSP

At this phase of his presentation, Mr. Mulungushi disclosed that:

- to access the new concessional borrowing facilities made available by the World Bank and IMF, Zambia was required to prepare a Poverty Reduction Strategy Paper based on a broad based consultative process that brought to the core, poverty reduction initiatives in the overall development framework;
- due to the urgency of the need for funding, Zambia started with the preparation of an Interim Poverty Reduction Strategy Paper (I-PRSP), which was submitted to the World Bank and IMF in 2000. The thrust of the I-PRSP was to spell out the road map towards a full-fledged PRSP.

Consultation Process

As regards the PRSP formulation process, which was structured so as to allow for broad based participation, the following activities were undertaken:

- PRSP Sensitization Workshops were held for stakeholders and political leaders in 2000 to augment government appeals and advertisements in the media inviting the public to contribute ideas on mainly on the causes of poverty and strategies for uprooting the scourge.
- During the Stakeholders meeting, it was resolved that as an operational strategy, eight working groups be established to develop sector specific plans on how to tackle poverty. These were Macroeconomic management, Agriculture, Tourism, Industry, Mining, Education, Health and Governance.
- In May 2001 provincial consultations were undertaken in order to incorporate specific regional strategies for economic growth and poverty reduction. Following the incorporation of the provincial concerns, a national summit was called in October 2001 to discuss the first draft of PRSP.
- By April 2002 the final PRSP draft was approved by cabinet being government's highest office. In May 2002 both the World Bank and IMF finally approved the PRSP.

Major Challenges and Constraints

Mr. Mulungushi pointed out that:

- the major challenges of PRSP were due to limited resource envelope for the effective implementation of PRSP programs;
- the other was that PRSP was conducted in an election year and was overshadowed by the ‘Third Term debate’, which made it difficult to effectively consult the political leadership thus leading to delayed decision-making vis-à-vis PRSP.

Monitoring & Evaluation

At this phase of his presentation, Mr. Mulungushi pointed out that:

- better targeting of interventions in an environment with considerable competing interests for limited resources is important;
- presently most poverty targeting programs are not poverty focused and have low rates of socio-economic returns whilst their impact is not easily and quickly realizable and their sustainability not assured. Further afield, their political marketability –cum attractiveness is often contestable;
- monitoring will involve tracking key indicators over time and space with a view to seeing that changes have taken place to the indicators following the implementation of the PRSP;
- since the central objective of the PRSP is to reduce poverty, evaluations will enable the assessment of the impact on poverty of interventions under PRSP;
- communication is the key not only to successful implementation of the programs and projects, but also more to the process of monitoring and evaluation. Information flow is required first and foremost in the sensitization process of the developed poverty reduction strategy paper. The role of both the print and electronic media in bringing out both flaws in implementation and good stories will therefore be crucial in empowering the people to track performance in implementing PRSP;
- communicating the necessary information at the right time and to the right users is cardinal in the process of monitoring and evaluation. This is so because decision making at all levels during the implementation process and afterwards will, to a large extent be determined by what information will be available and when it will be available.

The Role of Parliamentarians and Civil Society

In zeroing in on the strategic significance of parliamentarians and civil society involvement in the PRSP process, Mr. Mulungushi observed that:

- parliamentarians are key policy makers in the government system. Their contribution should in principle start at the constituency level where programs and projects are

identified and submitted to District Councils and District Development Coordinating Committees;

- civil society has contributed immensely to the PRSP through participating in all working groups and by raising issues related to debt, growth and poverty in Zambia. Government therefore regards civil society organizations as constructive partners in the promotion of sustainable human development and good governance in Zambia.

Conclusion

In concluding his presentation, Mr. Mulungushi observed that:

- the PRSP preparation process has been a learning experience not only for Zambia but also other countries that have done the same. Among the countries, which have completed their PRSPs, Zambia stands out;
- the preparation of a good document does not mean eventual success in achieving growth, creating employment and reducing poverty. A lot needs to be done to translate the ideas in the PRSP into achievable and realizable programs, which can demonstrably and measurably reduce the most outrageous manifestations of human poverty in Zambia.

➤ Civil society Perspective

Mr. Gregory Chikwanka of Civil Society for Poverty Reduction (CSPR) presented the Civil Society perspective vis-à-vis the PRSP in a paper entitled “**The Poverty Reduction Strategy Paper Process in Zambia; a Civil Society Perspective**”

Introduction

In the introductory phase of his paper, Mr. Chikwanka observed that:

- Zambia ranks as one the least Developed Countries in the World and according to the 1999/2000 UNDP Report, Zambia’s Human Development Index, which started to decline in 1985 plummeted further in the 1990s.
- Zambia has a very heavy debt stock, which now stands at US\$7.3 billion.
- In view of this huge debt burden, Zambia embarked on the formulation of its PRSP in June 2000 following the historic paradigm shift announced by the World Bank and IMF towards ‘pro-poor’ targeted development at their joint annual meeting in September 1999.
- Zambia’s PRSP preparatory process was guided by the principle of ensuring the broadest participation of the citizens’ elected representatives (Members of Parliament and councilors), civil society, private sector, creditors and donors.

PRSP Process and Civil Society

During this phase of his presentation, Mr. Chikwanka noted that:

- Zambia has proved to be one of the countries where the participation of civil society in the formulation of the PRSP has been exemplary.
- Civil Society got involved in the PRSP process after government invited it in July, 2000 and in responding to government's invitation a network known as Civil Society for Poverty Reduction (CSPR) with Jesuit Center for Theological Reflection (JCTR) as the lead civil society organization was formed.
- In addition to joining the government's consultative framework, the CSPR undertook its own consultative process not to duplicate or undermine government's efforts, but rather to complement and widen the consultative process.
- After carrying out its own consultative process, the CSPR synthesized its findings in the form of a holistic document entitled, '*PRSP for Zambia: A Civil Society Perspective*'. This document was launched in July 2001 and copies were presented to the Minister of Finance and the PRSP Coordinator.
- Upon reviewing the first draft of the country's PRSP prepared in September 2001, civil society discovered that the government had incorporated its suggestions to an appreciable extent.
- Zambia's PRSP was approved by cabinet in April 2002 and submitted to the boards of the World Bank and IMF in May 2002. The two institutions had since endorsed the document as a 'robust platform for addressing poverty issues in Zambia'.

Evaluation of PRSP Participatory Process

In evaluating the PRSP's participatory framework, Mr. Chikwanka recognized the following strengths:

- participation of civil society in the PRSP had led to a broadening of the range of perspectives. The grassroots experience of civil society complemented government bureaucrats' knowledge on issues of gender, environment and HIV/AIDS;
- compared to SAPs, civil society participation in the PRSP process had enhanced the legitimacy and acceptability of the PRSP among the public;
- the participatory process in Zambia had led to a foundation for a more focused poverty orientation. In particular, poverty analysis looked set to become informed by national realities, among them civil society perspectives;

- civil society's capacity to conduct policy analysis, advocacy, networking and participatory approaches on various issues has been enhanced. Better organizational skills and economic literacy among CSOs are being noticed;
- civil society has contributed to public awareness of the PRSP process through press releases and conferences, roundtable forum, and by summarizing the first draft of the PRSP into a more reader friendly document.

He also drew attention to the following shortcomings:

- civil society still feels that its access to vital information and documents is still limited. For instance, civil society has raised serious concerns regarding inadequate information on the availability and disbursement of HIPIC resources;
- civil society had no participation at higher levels of the PRSP preparation. In fact, its participation ended with the first draft. CSOs therefore had no representation at the higher drafting committees that finalized the PRSP for submission to the Zambian cabinet;
- parliamentarians were sidelined in the PRSP process. Initial plans to present the PRSP to parliament before taking it cabinet and the world Bank/IMF for endorsement were inexplicably shelved. This raises the possibility of poor quality of debate in parliament when budget estimates required to operationalize the PRSP are considered by Members of Parliament;
- the PRSP was hastily prepared in order to meet externally dictated timelines and this had a negative impact on the consultative process and the CSCR's outreach to grassroots' level communities;
- though some capacity has been built, there is still greater need in civil society for capacity building particularly in policy advocacy and monitoring and evaluation;

Conclusion

In concluding his presentation, Mr. Chikwanka expressed:

- satisfaction with civil society's participation in the PRSP processes but also indicated that a lot needs to be done to improve government-civil society interaction;
- the stance that for the PRSP to succeed, political will and the efficient management of resource allocations, disbursements and actual spending will be critical. Pronouncements of zero tolerance for corruption and ensuring that the 'rule of laws and not men' have to be applied in the course of implementing the PRSP;

4.2 Tanzania

In addressing the conference's theme, Mr. Clifford K. Tandari of Tanzania delivered the following presentation.

Introduction

Mr. Tandari began his presentation by noting that:

- the PRSP paradigm is one new approach agreed upon by governments and the World Bank/IMF aimed at tackling poverty. PRSPs have been arrived at after lengthy consultations among various stakeholders including parliamentarians and civil society organizations within the country;
- poverty tends to manifest itself in the following forms; malnutrition, ignorance, prevalence of diseases, squalid surroundings, high infant, child and maternal mortality, low life expectancy, low per capita income, poor quality housing, inadequate clothing, low technological utilization, environmental degradation, unemployment, rural-urban migration and poor communication;
- the Poverty Reduction Strategy Paper (PRSP) paradigm in Africa and the rest of the developing world in general and Tanzania in particular is a new medium term funding mechanism for financing priority areas and sectors that have the highest impact on poverty reduction;
- Tanzania was the third country in Africa and fourth in the world to have qualified for the Highly Indebted Poor Countries Initiative (HIPIC). This achievement can be attributed to sufficient political will in government, active involvement of civil society groups, as well as Tanzania managing to meet all the conditionalities for reaching decision and completion points respectively.

Preparation of Tanzania's PRSP

In providing an overview of the preparatory activity which preceded the launch of Tanzania's PRSP, Mr. Tandari disclosed that:

- Preparation of the PRSP entailed broad consultation among stakeholders-a factor that has contributed to underlying consistency in the country development policy objectives, including the strategy for poverty reduction.
- Civil Society organizations participated actively in the preparatory process particularly in zonal workshops. They not only accessed draft reports but also demanded that government actually level the playing field to facilitate effective CSO participation.
- Regrettably substantial efforts towards poverty reduction by international partners were still being implemented outside the framework of the central government budget. In

order to ensure maximum progress towards poverty reduction and improved predictability of budgets, these efforts require re-alignment and rationalization in line with PRSP priorities.

- A large volume of international resources was being channeled through specific donor driven projects, sometimes leading to duplication. An effective anti-poverty strategy will require concerted efforts to channel these resources in the context of sector wide development strategies.
- Major reforms in key areas especially local government, education and agriculture were in motion as consultative formulation of the PRSP was being undertaken. Implications of these sectoral reforms vis-à-vis poverty reduction and resource requirements could not have been accurately assessed in such a fluid institutional environment.
- Tanzania's parliamentarians are assuming a leadership role in the PRSP process by way of asking the government questions to seek clarity and transparency on issues that have a bearing on meeting targets outlined in the PRSP.

Supportive Measures to Accelerate Poverty Reduction in Tanzania.

Mr. Tandari pointed out that in pursuit of ensuring a successful implementation of Tanzania's PRSP, supportive measures would have to be instituted in the following four Strategic areas;

- **First**, the government will have to maintain sound macro-economic policies and intensify implementation of reforms aimed at bolstering market efficiency notably in agriculture and raising factor productivity.
- **Second**, while budgetary expenditure will continue to be restrained owing to macro-economic considerations, special efforts will have to be made to channel limited government resources toward support of key programs and social services under the PRSP.
- **Third**, the government will put increased emphasis on reforms aimed at promoting export-oriented expansion and diversification of the 'pro-poor' sectors with a view of enabling the poor to share increasingly in the benefits of globalization.
- **Fourth**, efforts will be made to raise steadily investment as a percent of GDP from 15 percent to approximately 17 percent, including through initiatives focusing on bolstering private investment in the cultivation of traditional and new crops, small and medium sized enterprises and informal sector activities.

Critical Assumptions Vital for the Successful Implementation of Tanzania's PRSP

Mr. Tandari, cautioned that in endeavoring to successfully implement Tanzania's PRSP, the following assumptions will be critical:

- civil society and the poor will be taken on board as far as poverty monitoring and evaluation are concerned;
- improved ownership of the process through higher quality management, commitment and contributions vis-à-vis PRSP on the part of stakeholders inclusive of parliamentarians and civil society;
- the installation of an enforceable system of accountability at all levels of government;
- public policies will be pro-poor so as to meaningfully reduce mass poverty;
- public policies will be focused on poverty reducing impact areas such basic education, primary health care, rural roads, agriculture etc;
- public institutions responsible for oversight, public accountability and transparency will be strengthened through implementation of the National Anti-Corruption Strategy;
- the media will be strengthened to ensure public awareness of government activities;
- legislation to support implementation of poverty reduction programs will be overhauled and more vigorously enforced;

Poverty reduction strategy-a new imposed conditionality or a chance for a meaningful development policy?

In concluding his presentation, Mr. Tandari attempted to objectively answer the above Question. He accordingly observed that:

- PRSP, if well implemented could reduce poverty by fulfilling set targets;
- outright debt cancellation as experienced during implementation in post war Western Europe, would be the preferred solution to Africa's poverty trap, as opposed from the palliative approach inherent in the PRSP process;
- PRSP could offer the opportunity for a new and meaningful development strategy, if the process is well funded, genuinely owned and managed by African governments and if both multilateral and bilateral donors deliver on their promises to supply resource support and restrain from demanding the fulfillment of unmanageable conditionalities.

4.3 Malawi

In a paper entitled 'The PRSP Process and the Role of Civil Society in Malawi' Dr Naomi Ngwira highlighted the following issues.

Introduction

Dr Ngwira began her presentation by calling attention:

- to the December 1999 joint decision of the Brettonwoods institutions which approved the processing and granting of loans to poor countries contingent on the production of a PRSP;
- to the fact that the PRSP is a condition for qualifying for debt relief under the enhanced Highly indebted Poor Countries Initiative (HIPC) initiative;
- to the new thinking underlying PRSPs, which amounts to an implicit realization that SAPs were based on analytical frameworks that were unsuitable to developing countries and were imposed on poor countries with detrimental consequences to the welfare of the majority of the people;
- to the critical assumption that the PRSP process is to be used to ensure consistency between a country's macro-economic policies and the social goals of poverty reduction and is intended to be conducted in a way that ensures transparency, accountability, and broad based participation in the choice of social goals, and the formulation of policies, and monitoring of implementation;
- to the grim fact that Malawi's total debt stock is U.S \$2.5bn, and the export/debt revenue ratio is 236%, greater than the threshold for qualifying for HIPIC of 150%;
- to the estimated completion point, which though a floating one, is envisaged for the end of December 2003.

Historical Evolution of the Concept of Poverty Reduction

In tracing the evolution of the paradigm of poverty reduction within a global/international perspective, Dr. Ngwira made the following observations:

- the earliest generation of literature was from the Basic Needs approach to development, which emerged from the World Employment Program (WEP) of the International Labor Organization in the late 1970s/early 1980s. This approach linked economic growth to employment creation, which was seen as a solution to poverty reduction;
- the next generation of literature revolved around the issue of targeting peasants in rural development as offering the fastest way to increase the living standards of the poor. Some writers saw the targeting of the poor as a strategy for growth, as it trickled up, whereas for others, the poor were a target of the benefits of growth, as it trickled down to them;
- in response to increased civil society activism that has drawn attention to the inequalities of globalization, latter day academics are demanding that the poor should be the focus of development strategies. One major criticism made by this lobby is that since they

exclusively aim at macroeconomic stabilization, Structural Adjustment Programs cannot improve the lot of the poor.

The PRSP Process

Dr. Ngwira then went on to point out that:

- the PRSP process in Malawi was a most participatory one. Apart from the vision 2020, and the sectoral environmental action plan, no process to formulate national development policies in Malawi has involved such a wide consultation of stakeholders;
- the Malawi PRSP emphasizes 4 features that distinguishes it from previous economic planning efforts:
 - ⇒ the first one is that the PRSP will use the approach to poverty reduction of empowering the poor, and not giving them hand outs;
 - ⇒ the second one will be emphasis on implementation by making sure plans are translated into action through budgets;
 - ⇒ the third distinguishing feature will be making implementation transparent and participatory;
 - ⇒ lastly the PRSP will, unlike in the past, be the only framework for financing and implementing development plans; any plans and projects that do not fit the PRSP framework will not be financed;

Poverty Profiling

In respect of Malawi's poverty profile Dr. Ngwira observed that:

- the richest 20% consume 43.6% of goods and services, while the poorest 20 % consume only 6.3%. There is more inequality in the urban areas, measured by the **gini** coefficient of 0.52 for urban areas and 0.37 for rural areas;
- the Malawi poverty profile lacks focus in that it omits some of the most important causes of poverty among those listed and uses one narrow definition of poverty which may lead to the selection of policy interventions that may not be effective in reducing poverty;

The International Dimension of Poverty Reduction

Dr. Ngwira further pointed out that:

- though the Malawi PRSP has an extensive discussion on the causes and distribution of poverty, it has no coherent conceptual framework within which to contextualize and explain the causes of poverty;

- there is urgent need to contextualize the problems of poverty within the national and international political economy. It is very obvious that the World Bank/IMF's emphasis on intensifying civil society's participation in the PRSP process could deflect attention away from the global/international dimensions of the causes of poverty, which can only be realistically addressed through outright debt cancellation and better trading regimes.

Engendering the PRSP

In bringing out the gender dimension in the PRSP consultative process, Dr. Ngwira observed that:

- very few women participated in the process;
- most of the women who participated were in low positions compared to men in the various institutions and communities;
- the outcomes of district consultations show that those who facilitated the consultations were not sensitized to the benefits of gender analysis tools;
- effective analysis will require the strengthening and institutionalization of the collection of gendered statistics, and enhancing the capacities of, and incentives for, policy analysis and to carry out gender analysis.

Civil Society Participation

To make the PRSP process truly participatory, Dr Ngwira advised that six (6) steps would need to be taken:

- First, there is need to de-link the PRSPs from the HIPIC. Making the preparation of the PRSP a pre-qualification for debt relief leads to conducting a hasty process that is dominated by government.
- Second, the IMF and World Bank should find ways of promoting genuine national ownership. At present the national governments are taking 'an IMF/World Bank taxi ride with one choice of destination and one choice of route'.
- Third, governments have to encourage genuine participation and not mere 'consultation'. Governments should not just consult briefly with civil society, holding meetings with little notice, giving no time to review documents and develop constructive criticism, and not following up on CSO recommendations.
- Fourth, the government should undertake **ex-ante** reviews of poverty reduction strategies for their pro-poor focus and not just leave this to chance.
- Fifth, the IMF and World Bank should reduce rigid conditionalities.
- Finally, CSOs should identify themselves more closely with the PRSPs and be partners with government in the actual implementation. This may require using innovative

approaches to fund CSOs to implement PRSP programs or activities in which they have comparative advantage.

Is the PRSP a Chance to develop a meaningful development Policy?

In concluding her presentation, Dr. Ngwira addressed the conference's theme and in this regard made three cardinal observations:

- the PRSP can contribute to significant poverty reduction if the HIPC funds and other resources are utilized in implementing priority poverty expenditures (PPEs), and also to stimulate the economy in those growth points that have significant potential for poverty reduction;
- in terms of HIPC, international stakeholders must ensure that resources for debt relief arrive on time and that fulfillment of conditionalities is monitored in the best interest of the country as opposed to appeasing bilateral and multilateral donors;
- a major shortcoming of the PRSP paradigm is that it tries to explain the problems of poverty by overemphasizing factors internal to indebted countries whilst neglecting several key aspects of the international global order which disadvantage poor countries.

4.4 Mozambique

Introduction

Mr. Cesar Pahla de Sousa introduced the Mozambique country paper by reporting that:

- Mozambique had completed its PRSP in 2001, and its approved version by the Council of Ministers in April 2001 was presented to the IMF/World Bank as a final PRSP Draft.
- The IMF/World Bank accepted this draft as Mozambique's Interim PRSP.

The Consultative Process

In regard to the enlisting broad based ownership of the formulation process, Mr. De Sousa observed that:

- the PRSP is a priority plan for the government of Mozambique (GOM) meant to manage medium term macro and sector policies relating to poverty reduction and development;
- at the outset consultations were at national and sector level. It contemplated strategy, priorities, resources constraints and effectiveness of interventions. An intersectoral technical group brought together the contributions in a draft that was accepted as an Interim PRSP;
- consultations were then extended to provinces, civil society and international development partners. The main purpose was to get contributions and discuss

methodology for the development of integrated plans of action incorporating existing policy interventions like Food Security and Nutrition Strategy and HIV/AIDS strategy plan;

- Mozambique's PRSP process has been largely directed by the Ministry of Planning & Finance on behalf of the government. The Ministry has therefore been the focal point of interface between Mozambique and its external partners and interested parties in civil society;
- there was not much consultation after completion of the final draft in early 2001. Whilst 'planning fatigue' on the part of a rural population due to general dissatisfaction with previous anti poverty programs was cited by sources close to government, civil society considered the poor social infrastructure and usage of Portuguese, a language most rural dwellers cannot understand as factors that limited popular participation in PRSP formulation.

PRSP: Imposed Conditionality or an Opportunity for Development?

In concluding his presentation, Mr. de Sousa noted that:

- PRSP's conditionality dimension manifested itself in the zealotry with which government accelerated the formulation process in order to keep within HIPIC debt relief deadlines. This preoccupation with deadlines, ultimately compromised meaningful broad based participation in the process of formulating Mozambique's Interim PRSP;
- the PRSP paradigm despite being a conditionality required by the IMF and World Bank for securing debt relief under HIPIC, has provided a unique framework within which to enlist the participation of ordinary citizens in the quest to reduce poverty as well as promoting sustainable human development in the country.

4.5 Angola

Angola made two presentations. One by Mr. Mario A Sousa, which gave an overview of the process of drafting a poverty reduction strategy paper in Angola, whilst the other was made by Jubilee 2000 in order to convey the civil society perspective vis-à-vis PRSP.

Overview of the drafting process

Introduction

In commencing his presentation, Mr. Sousa informed the conference that:

- in February 2002 Angola finally reached peace after several decades of civil war;
- the country had suffered huge destruction of its human, physical and social capital and millions of people had been internally and externally displaced because of the civil war;

- Angola has around 30% of its population displaced because the war. This has unleashed a rapid impoverishment of the rural population, which has totally overwhelmed the country's destroyed social infrastructure;
- given the current bleak social and economic context there was urgent need for a national poverty reduction strategy, which if well designed and implemented would have a positive impact in improving the living standards of the population.

Critical Assumptions Vital for the Successful Implementation of a Poverty Reduction Strategy in Angola

For an effective poverty reduction strategy to emerge in Angola the following assumptions are of critical importance:

- a strong level of political will on the part of local elites to accept a more equitable distribution of national income;
- a structural reform of the process governing the formulation and implementation of the national budget which would permit poor constituencies to attain a stronger voice in the allocation of public resources than has been the case previously;
- a more dynamic and proactive role of parliamentarians and civil society organizations in making the executive more accountable for the budgeting process;
- reform of the public administration in order to right size the bureaucracy so as to make it more efficient, customer driven and pro-poor sensitive in terms of service delivery;
- poverty has several dimensions and the political and institutional ones are very instrumental for the process of any poverty reduction strategy.

Some Features of Angola's I-PRSP

Mr. Sousa proceeded to critique Angola's Interim-PRSP, which was published on the 15th of April 2002. He made the following observations:

- there is a lack of prioritizing and sequencing of actions, projects and programs;
- target populations are not well identified in the strategy except for specific groups (e.g. **IDPs**). Programs may therefore impact upon the poor and the non-poor;
- the conceptual framework underlying the poverty reduction strategy is based on pure economic growth whilst the concept of pro-poor growth is conspicuously absent;
- the 'consultative process' has been dominated by a top-down bureaucratic model;
- the current I-PRSP strategy is not specific in terms of outlining the roles of key stakeholders like civil society organizations, parliamentarians and local governance structures in the PRSP process;

- there have been no broad based consultations regarding the PRSP in Angola. The prevailing top-down consultative model pursued by the government cannot promote greater national ownership of the national poverty reduction strategy. Neither civil society organizations nor the private sector have meaningfully participated in drafting poverty reduction intervention;
- the gender issue has been treated in a peripheral way rather than as a crosscutting challenge, which should be mainstreamed in every anti-poverty intervention. There is no disaggregation of data in respect of the gender dimensions of poverty in the context of post-conflict peace building.

PRSP as another new Conditionality demanded by the WB and the IMF on Indebted Countries?

In concluding his presentation, Mr. Sousa pointed out that:

- the PRSP paradigm is primarily a World Bank/IMF initiative and not one conceived by indebted countries;
- the PRSP process is therefore in essence a new conditionality for debt relief under the HIPIC framework. Conditionality inherently implies an unequal distribution of power between the donor and recipient, regardless of the phraseology of ‘partnerships’, ‘cooperating partners’ etc.;
- the most innovative feature of the PRSP paradigm is the requirement that obliges government to conduct a broad based consultative process with civil society in order to promote consensus building and local ownership of the PRSP process;
- the issue of poverty reduction should be contextualized in its global ramifications because ultimately it involves a more equitable redistribution of income and trading relations at the global level.

Jubilee 2000 Perspective

A representative of the Angolan Jubilee 2000 shared some of their views and concerns on the economic situation in Angola following the long civil war, the prospects of peace and the opportunity for development in various areas. He states that the indicators of poverty were many, and appealed to the government to target these areas. He pointed out that there was need for transparency in the public sector expenditure. He mentioned that several fora have been held to discuss poverty issues, including strategies for poverty reduction, and that Jubilee 2000 had taken over the leadership to fight for poverty reduction. In this regard, and in line with IMF requirements, the government had established a multidisciplinary group of professionals from various ministries and other organizations to look at the issue of poverty reduction.

4.6 Ghana

The presentation from Ghana disseminated the process of development of the country's fight against poverty from the standpoint of Ghana's Poverty Reduction Strategy(GPRS) which preceded the IMF/World Bank PRSP concept. This presentation was delivered by the Hon. Mrs. Gifty E. Kusi-MP.

Introduction

The Hon. Mrs. Kusi commenced her presentation by informing the conference that:

- the Ghana Poverty Reduction Program defines poverty as **'unacceptable deprivation both psychological'**. It is seen as multi-dimensional and may be caused by among others by:
 - ⇒ lack of the capacity of the poor to influence social processes and public policy choices of resource allocation;
 - ⇒ low capacities through lack of education, vocational skills, entrepreneurial abilities, poor health and poor quality of life;
 - ⇒ the disadvantaged position of women in society;
 - ⇒ low levels of consumption through lack of access to capital, social assets, land and market opportunities;
 - ⇒ exposure to shocks due to limited use of technology to stem effects of disasters like floods etc.

Dimensions of Poverty in Ghana

The Hon. Mrs. Kusi went on to illustrate the dimensions of poverty in Ghana by highlighting the following points:

- poverty is characterized by low income, malnutrition, ill health, illiteracy and insecurity as well as feelings of powerlessness and isolation;
- poverty in Ghana has important gender dimensions and studies have shown that women experience greater poverty, have heavier time burdens, lower rates of utilization of productive resources and lower literacy rates.

Participatory Processes

The Hon. Mrs. Kusi noted that:

- the objectives of the participatory process were to ensure reflection of views of average citizens in the Ghana Poverty Reduction Strategy (GPRS), to ensure input of

government Ministries, Departments and Agencies, to ensure civil society's role in implementation is well defined and to enhance the advocacy and 'watch dog' role of civil society;

- the methodology employed included the use of roundtables, seminars, briefing notes and workshops with defined outputs. Sessions were organized for various groupings. These groups were selected on the basis of their ability to build broad legitimacy for the GPRS;
- local level community consultations were conducted to disseminate information on the GPRS and to obtain community perceptions on poverty;
- Members of Parliament and representatives of political parties were consulted through a two day retreat and a one day seminar to obtain their comments and inputs.

Another Conditionality?

In concluding her presentation on the Ghanaian experience, the Hon. Mrs. Kusi noted that:

- since the process of preparing the Ghana Poverty Reduction Strategy predated the initiative to prepare PRSP s internationally, one could definitively regard Ghana's initiative as home grown and owned, with government firmly driving the process forward;
- Ghana has adopted the goal of ensuring sustainable equitable growth, accelerated poverty reduction and the protection of the vulnerable and excluded within a decentralized, democratic environment;
- the GPRS has set the short, medium term policies for poverty reduction, as well as the long-term requirements for structural reform and many challenges will need to be taken into account.

4.7 Madagascar

The presentation from Madagascar was made by a representative of civil society from an organization called 'Association for the Promotion of Entrepreneurship in Madagascar (APEM)

Introduction

In its introductory phase, the Madagascar country paper pointed out the following:

- Madagascar had been implementing structural adjustment programs for the last twenty years without tangible results;
- in spite of successive debt referrals with the Paris Club, since 1981 Madagascar's debt burden has not gotten lighter.

Madagascar's Poverty Profile

In illustrating the incidence of poverty in Madagascar, the paper noted that:

- almost half of the children of school going age do not attend school;
- illiteracy, which affects more than half of the population, has a higher rate amongst the youth;
- almost one third of the Malagasy people have a life expectancy below 40;
- more than three quarters of the Malagasy people do not have access to safe drinking water;
- food energy intake of three out of four Malagasy is lower than the minimum requirements of 2133 calories a day;
- the poverty index, which was 59% in 1985, then reached a peak of 74 % in 1993 and dropped to merely 69 % in 1997 and 67.3% in 1999.

The Madagascar PRSP's Three Pronged Assault on Poverty

Madagascar's Poverty Reduction Strategy Paper envisaged a three-pronged assault on poverty on the following fronts:

- achievement of a significant degree of growth in which the poor can take part;
- development of the basic social infrastructure (education, health, safe drinking water) and extending safety nets for the most vulnerable categories of the population;
- enhanced good governance through decentralization and de-concentration as well as empowerment of local communities in order to curb corruption.

The Participatory/Consultative Process

Preparation of Madagascar's PRSP has been characterized by a participatory paradigm which took the form of the following activities:

- sectoral workshops (rural development, private sector, population policy);
- thematic workshops (household surveys), which took place at national, provincial and regional levels;
- a major assumption of the PRSP is that civil society organizations will track the implementation process to ensure stipulated targets are met.

Another Conditionality?

The paper concluded by observing that:

- though the PRSP paradigm is primarily a World Bank/IMF initiative and not one conceived by indebted countries, it marks a major improvement on previous conditionalities in its inclusion of popular participation in PRSP preparation;
- the PRSP is essentially a palliative, whereas debt cancellation would lead to significant poverty reduction in the global context.

5. Discussion

After the country presentations, discussions were held, which included comments and questions. Issues raised were as follows:

1. For the PRSP to be successful, there was need for the country environment to be conducive in terms of good governance issues such as civil society participation, political will and fighting corruption etc. Adequate time was required to ensure the full participation of all the stakeholders, including the poor people themselves.
2. Members of Parliament were key stakeholders who should have been involved from the launch of the PRSP right through to the approval stage.
3. Appropriate Monitoring and Evaluation mechanisms, as well as performance indicators need to be developed.
4. There appears to be a missing link between economic growth at the macro-level and poverty reduction benefits at the micro-level. There was need to find a way of bridging the gap.
5. Instead of despairing, there was need to consider the PRSP as a positive move for Africa, with a chance to decide its own destiny. What was important was to ensure extensive consultation for there to be national ownership.
6. The issue of government subsidies, especially in the agricultural sector, requires to be looked at critically. Especially in light of the fact that the IMF and World Bank appear to apply double standards in that they insist that African governments should not subsidize agriculture while industrialized countries subsidize their farmers, making their products cheaper.
7. In order for the PRSP process to be sustainable, there was a need for adequate funds to facilitate the consultative and participatory process involving all stakeholders.
8. There was need for African governments to study critically the cost of implementing the PRSP and determine whether it is worthwhile to proceed with the process. In other words, how were they financing the PRSP apart from the HIPC funds.
9. The importance of accessibility to public information cannot be overemphasized. Information sharing between and among all the stakeholders on best practices, as well as the easy availability of such information was key to fighting poverty. There was also

need for stakeholders, especially Members of Parliament, to be provided with adequate information on the PRSP in order for them to appreciate the process and therefore participate effectively. Government and the civil society organizations need to work together as partners, therefore there was no need to hide information from each other.

6. *Lessons from Country Reports*

The following were highlighted as lessons that can be learned from the country presentations. These included:

1. The role of parliament as oversight of the process. Members of Parliament should, therefore, monitor the impact of the PRSP process.
2. Good governance and political will were crucial to the success of the whole process.
3. In light of the inadequacies of the IMF and World Bank in conceptualizing poverty in Africa, perhaps African governments need to arrive at policies as learned from experience. There is need to consider the factors affecting the effective implementation of poverty reduction, as well as ensure effective participation of the public/the poor people themselves to enhance national ownership.
4. In all cases, the PRSP is a step forward, despite the shortcomings. However to be satisfactory there is need for comprehensive participation of civil society organizations, community based organizations and the poor themselves for valid implementation of the PRSP.
5. PRSP is not an end in itself but a means to an end; it is a process which requires to be improved upon as other priorities are identified.
6. For effective strategies against poverty, countries should consider the total national budget, not just concentrate on the HIPC funds and the PRSP. There is need to develop other complementary strategies for poverty reduction.
7. African governments need to more objective in the handling and implementation of the IMF and World Bank conditionalities in order to limit the negative implications to the country's economy.
8. Participation in the PRSP process should be inclusive of all citizens, not just the mandate of the civil society organizations or the Members of Parliament. Adequate resources should be made available to ensure full public participation.
9. There is need for African governments to share information on the PRSP process, and to exchange ideas on the implementation of the PSRP.
10. African governments need to take a pro-active stand and develop for themselves alternative poverty reduction programmes that may work best for their countries, instead of adopting the IMF and World Bank strategies blindly without examining them

carefully. In this vein, there was need to assess the impact of other programmes before PRSP on Poverty Reduction.

11. Globalization has a detrimental impact on African countries, which the PRSP process has not fully dealt with. The New Partnership for African Development (NEPAD) may offer hope in terms of mitigating the negative aspects of this process.
12. The role of the media is information dissemination. The media needs to be brought on board in discussions of PRSP.
13. It was important to identify the conceptual framework for implementing PRSP.
14. Africa can learn useful lessons in poverty reduction from the ‘economic miracles’ of such countries like Japan in Asia and Germany in Europe by closely studying the processes they experienced in eradicating poverty and promoting sustainable human development.

Whilst the first day provided an overview of concrete examples of the drafting of PRSP s, the second day’s focus was on learning practical lessons from implementation processes. The main activities for day two were two paper presentations, one from Uganda and one from Malawi, respectively, and a Panel Discussion comprising representatives of Angola, Tanzania and Zambia, and facilitated by Robert Humphries from the South Africa Poverty Reduction Network.

7. Monitoring the Implementation of the PRSP—The Uganda Experience

Mr. Augustine Muserero, Programme Officer for the Governance and Human Rights Programme of the Uganda Debt Network, articulated the Ugandan experience in the monitoring and implementation of the PRSP.

Introduction

In commencing his presentation, Mr. Muserero informed the conference that:

- Uganda’s case was unique because its Poverty Eradication Action Plan(PEAP),which is also its PRSP was conceived in 1995 before World Bank/IMF unveiled the PRSP process.
- The actual launch of the PEAP was carried out in 1997, following a two years extensive national consultative process involving a cross section of stakeholders (Central and local government, Civil Society, and the private sector).
- When the World Bank and IMF demanded that indebted countries would have to prepare PRSPs in order to access debt relief resources under the HIPIC initiative, it was accordingly agreed by the government and donors that Uganda’s PEAP would become its PSRP.

- In December 1999, the Ministry of Finance and Economic Development called for a consultative meeting with donors and civil society organizations to consider revisions to the PEAP.
- After this consultative meeting, civil society organizations formed a taskforce called the Uganda Debt Network (UDN) to organize consultations for the revision of the PEAP.

Funding for the PEAP

In regard to funding the PEAP, Mr. Muserero informed the conference that:

- the government established a Poverty Action Fund (PAF) in the 1997/1998 financial year as a mechanism to mobilize savings from HIPIC debt relief and donor inflows for investment in the social sector for the benefit of the most vulnerable categories.
- The PAF provides funding to the following areas:
 - ⇒ Primary education.
 - ⇒ Primary health care.
 - ⇒ Water and sanitation treatment.
 - ⇒ Rural feeder roads maintenance.
 - ⇒ Agriculture extension.
 - ⇒ Micro finance /restocking programmes.
 - ⇒ Control of HIV/AIDS.
 - ⇒ Pilot schemes for adult literacy and enhancing efficiency of the judicial system.

Civil Society Participation in Monitoring PAF (PEAP)

As regards the role of civil society organizations in monitoring the implementation of the PEAP, Mr. Muserero pointed out that:

- the Uganda Debt Network took the lead in monitoring the implementation of the process in Uganda to ensure that resources from debt relief secured under the HIPIC arrangement would be spent on poverty focused programs and also that services reached the intended beneficiaries;
- in May, 2000 the UDN proceeded to form locally based PAF Monitoring Committees (PMCs) at district level amongst PAF/PEAP beneficiaries to enhance local ownership of monitoring at grassroots level as well as to keep track of resource utilization at district and sub-district levels;
- through a concerted program of capacity building initiated by the UDN, the PMCs equipped with key skills and knowledge are able to carry out periodic monitoring of the

implementation of the PEAP/PAF in their areas of jurisdiction thus enhancing local ownership.

Achievements from Monitoring PAF/PEAP

In demonstrating the growing power of civil society in galvanizing the poor to monitor the implementation of ‘pro-poor’ policy interventions in Uganda Mr. Muserero observed that:

- Through various forms of training and information sharing, local communities (PAFMCs) are now empowered to carry out the monitoring of the implementation of PAF/PEAP on their own.
- In some districts, PAFMCs have been able to publish the results of their monitoring activities. Kamuli district was able to publish their report regarding monitoring in August 2001. Not only was the report widely circulated at the local, national and international level, but attracted the attention of no less eminent an institution than the World Bank which dispatched a ‘fact finding’ mission to learn from the Kamuli monitoring experience in November, 2001.
- PAFMCs have effectively mobilized civil society in their districts to support programs and develop actions against corruption. They have also committed themselves to disseminating PAF and pertinent information in their areas of jurisdiction as a way of increasing awareness of their programs.
- The UDN has further empowered local communities by introducing Community Based Management and Evaluation Systems (CBMES) at district and sub-district levels, thus enabling local authorities to continuously monitor implementation of PEAP/PAF as well as holding dialogues with public officials on gaps in service delivery in their own communities and villages.

Existing Challenges

Mr. Muserero drew attention to a number of formidable challenges that must be addressed in order to further strengthen the monitoring of PEAP/PAF:

- Ensuring the sustainability of the monitoring processes. The CBMES presents a model that is quite empowering since it ensures that local communities themselves are able to monitor the implementation of pro-poor policy interventions. Ensuring continuity of monitoring at district and sub-district levels will therefore require increased human and financial capacity.
- Uganda’s decentralization policy offers an institutional framework through which resources are transferred to district and sub-district organs in a bid to improve the quality of life of the poor through social service delivery. This calls for more vigilance at the

local government level given the level of awareness among the grassroots people of their rights and entitlements.

- There is need to scale-up sensitization programs intended to enable local communities to more effectively monitor the human impacts of the PEAP/PAF. This will require scaled-up use of both electronic and print media advocacy in order to boost information dissemination targeted at district and sub-district communities.

Conclusion

In wrapping up his presentation, Mr. Muserero noted that:

Though the monitoring of PEAP/PAF was started largely as an initiative of the UDN, participation has been synergistically broadened to involve the local communities who in the ultimate analysis ought to tangibly and materially benefit from PAF. The formation of PAFMCs at district and sub-district levels and the subsequent introduction of CBMES have increased local ownership of anti-poverty programs and provide an oversight Framework to guard against improper utilization of funds. This civil society inspired Initiative therefore provides a sustainable route to good governance in Uganda.

8. *The Role of Parliament in the Implementation of the PRSP*

The strategically important role of Parliament in the implementation of the PRSP was ably examined by the Honorable Louis Chimango, a Member of the Malawian National Assembly.

Introduction

Mr. Chimango began his presentation by observing that:

- Recently hunger had devastated lives in the Southern African region.
- On the policy front, the question of agriculture had become a high profile concern to the extent that unlike in the past it is being recognized that agriculture is the engine of growth.
- In light of the unfolding humanitarian/hunger crisis unfolding in Southern Africa, it is the Members of Parliament who must assume a frontline role in defending the poor and vulnerable.
- The challenge of implementing the PRSP requires decision makers to allocate more resources for poverty interventions.
- All stakeholders including the poor themselves must effectively participate in the PRSP process, which is intended as a model of development dialogue where cooperating partners, national governments, and civil society organizations synergistically cooperate to tangibly and measurably reduce poverty.

Parliament and the PRSP Process

In demonstrating the role that parliament can play in promoting poverty reduction in Africa, Mr. Chimango noted that:

- Parliaments have a pivotal role to play in the development process in view of the functions of legislators variously referred to as '*watchdogs*', '*advocates*' and '*intermediary of constituents*' in terms of articulating citizens' development aspirations into public policy outputs.
- The Parliamentarian is the authentic representative of the poor and vulnerable in the formulation of strategies to reduce poverty, and must refuse to be a mere rubber stamp, but must demand a meaningful role in the implementation, monitoring and evaluation of PRSP processes.
- Though in Malawi, legislators have not had an active involvement in the PRSP process, a positive beginning has been made in that a number of Chairpersons of Parliamentary Committees were invited to join some of the 19 thematic groups preparatory to the PRSP.
- Elsewhere on the continent, the evidence available suggests that governments have not adequately consulted parliamentarians in PRSP processes, save for a few instances when parliamentarians have been invited to participate in a 'token' and 'ceremonial' way.

Can Parliament Deliver on PRSP?

In assessing the potential role parliaments can play in moving the PRSP process forward, Mr. Chimango observed that:

- The critical challenge facing the PRSP process is to actually secure results from projects and programs so that they may have a positive effect on the poor.
- Budgetary oversight is a major input and one which parliament is suitably positioned to perform.
- Parliament's comparative advantage in the PRSP processes emanates from the fact that it can access budget documents and ultimately approves the budget.
- There is need to track expenditure lines down to district levels to ensure that objectives spelt out in the estimates of expenditure are being met.
- Parliamentarians can benefit from the inputs of civil society organizations, which use bottom-up participatory methods whilst parliament tends to monitor the treasury, Ministries and government departments right down to district level in terms of expenditure accountability.

- The Malawi Parliament through its Budget and Finance Committee has held hearings with Civil Society in order to learn first hand, the scope and depth of poverty in the country as well as the efficacy of countervailing measures instituted by the government to address the poverty challenge.
- Since line Ministries have always been invited to the hearings of the Committee in order to avail themselves the opportunity of verifying the perceptions of civil society organizations, Ministries have been made to sit up because they have been made aware that their expenditures are being tracked.

Implementation of the PRSP: The Role of Parliamentary Committees

With regard to the actual implementation of Malawi's PRSP (MPRSP), Hon. Chimango Noted that:

- Malawi's PRSP, has from the standpoint of internal processes, been completed and will be submitted to the boards of the International Monetary Fund and the World Bank towards the end of 2002 and depending on whether performance is deemed to be satisfactory, the country could qualify for debt relief at this point.
- Monitoring the process of implementing the PRSP is of paramount importance as this enables parliament to be responsive to the cry of the poor. The question is whether parliament has the technical and human capacities to follow through the budget in a sustained manner.
- Parliament through its oversight and standing committees can be critical to budget implementation and make budgets pro-poor.
- Resources and technical support are required not only for civil society but also for parliamentary committees. A basic level of understanding of economic parameters, in-house technical capacity in economic analysis and basic accounting are absolutely necessary as are skills to access information in the current world of the cyber-age if parliaments are to be expected to deliver.
- Sustainability of Parliamentary Committees' zeal to hold government to its pledges in respect of pro-poor anti-poverty interventions would lie in the recruitment of highly qualified staff because all too often the committees are constrained by lack of adequate technical support from parliamentary staff.
- There is urgent need to reform legislation, which currently impedes parliamentary committees from accessing information which impinges on the implementation of PRSP. Without such reform, information tends to become very scanty, as bureaucrats will wish to clear everything with their superiors before releasing it to outsiders. Without an open and transparent information regime, expenditure tracking cannot be carried out.

- The New Partnership for Africa's Development (NEPAD) offers an entry point for cooperating partners to establish sustainable partnerships with African parliaments at national, sub-regional and continental levels to empower these bodies to play a more pro-active role in poverty reduction than has hitherto been the case.

The Role of Regional Parliamentary Groups in the PRSP

In concluding his presentation, Mr. Chimango observed that:

- Poverty is a common problem, which transcends physical frontiers, and therefore countries at various levels of development can learn from one another in implementing effective anti-poverty programs.
- Member countries of the SADC Parliamentary Forum should not confine the exchange of experiences to SADC member states but should build cooperative synergies with members of sister regional parliamentary mechanisms such as the ECOWAS Parliament and the Arusha based East African Legislative Assembly.

Discussion

The discussions after the two presentations raised the following issues:

1. The sustainability of the funding process was a source of concern. Participants wondered whether the cost involved in the consultative process did not take away from the resources meant for poverty reduction.
2. After qualitative analysis of the process, there was need to assess whether there is any improvement in the quality of life of the ordinary people.
3. For purposes of monitoring the PRSP process, all stakeholders need to be involved, and monitoring should reflect all shades of opinions.
4. There is need for governments to ensure adequate resources are provided for the consultative process, especially for full involvement of parliament.
5. Uganda was acknowledged as a good example of best practice in terms of consultation and participation of stakeholders.

9. Panel Discussion

Richard Humphries, from the Southern African Regional Poverty Network (SARPN), chaired the panel discussion. Members of the panel included: Mr. Clifford Tandari from the Tanzanian Vice President's Office Poverty Reduction Department; Mr. D. Mzumara from the Economic Commission for Africa; and Ms. Idalina Oliveira Valente, Member of the Angolan National Assembly, and a Member of the Parliamentary Committee on Economic Issues.

9.1 Tanzania

The PRSP document had been prepared in a simplified format, and has further been translated into local languages. This has enabled the ordinary people at the community level to access the information. Cartoons have also been used in the document to make it easier to be understood, and to further stimulate information sharing even among the illiterate. In the same vein, Posters have been used in the promotion of the PRSP. In addition, Radio stations have also been used to stimulate discussions around the PRSP. Religious organizations have been involved in the dissemination of information on the PRSP as well as in the implementation process.

With regard to the comprehension of the PRSP at the Executive level, and the impact on the decision making process, Tanzanian politicians as well as the government have been very supportive of the process. The President and Prime Minister are well informed; there is a cabinet committee on the PRSP; the budget speech focused on the PRSP; there is even a government website focused on the PRSP (www.hakikazi.org/engz).

Evaluation of the performance of the PRSP, as well planning for the following year, will be done on a yearly basis. The evaluation will also assist in the Budget preparation. The PRSP will be a living document that will be able to take on new issues as they arise.

The Monitoring and Evaluation tool:

- Shows the main activities in the Review Year.
- Touches on the Micro-economic performance.
- Brings out priority areas.
- Provides community indicators to be used by the community itself.
- Takes into account cross-cutting issues such as good governance, gender and the role of the judiciary, and how the PRSP improves the situation.
- Provides opportunity for the inclusion of other community concerns, for example environmental issues.

Through the document, the government will be able to popularize achievements in other poverty related programmes. MPs will be used as advocates, and the role of the media will be identified. Tanzania has a good structure for governance, right from bottom to top the system is well organized.

In order to ensure that the process of poverty reduction is strengthened, it is important for donor countries to consider Debt. Cancellation instead of Reduction, and to provide

assistance, which promotes sustainable human development as opposed to poorly targeted loans, which simply add to the debt burden of heavily indebted countries.

9.2 Economic Commission for Africa (ECA)

Although it does not implement any PRSP, ECA is able to share experiences in terms of:

1. Learning from the experiences of other countries.
2. Monitoring and Evaluation.
3. Governance.
4. Capacity Building.

➤ **Learning from Experiences of other countries**

⇒ Best Practices.

➤ **Monitoring and Evaluation of PRSP implementation**

⇒ There is need to consider cost effective methodologies to monitor poverty.

⇒ Poverty Mapping. For instance in South Africa they use Integrated Household Surveys, and other sources to provide maps.

⇒ Consider the multi-dimensional nature of poverty.

⇒ Ensure that measurement of indicators is understood the same way by all countries.

⇒ Consider the Logical Framework in terms of:

☞ The need for verifiable indicators for the achievement of objectives.

☞ The need for properly defined indicators to measure poverty.

☞ The need to plan in order to deal with macro to micro mismatches.

➤ **Governance**

⇒ The ECA takes into account the perceptions of people, households and civil society in general of governance issues such as corruption.

⇒ The ECA will be obtaining information from government publications on the PRSP process, and publish this information every 2 years.

⇒ It is important to be clear whether countries are talking about Poverty Reduction or Poverty Eradication.

➤ **Capacity Building**

⇒ The ECA is able to provide free, but short capacity building services (2 weeks long).

- ⇒ The World Bank has a trust fund for capacity building in statistical skills.
- ⇒ The ECA provides advise in gender analysis and planning.

9.3 Angola

- There is need to emphasize the importance of political will.
- The Budgetary allocations need to ensure the equal distribution of resources, therefore the importance of the PRSP.
- Angola, with a population of 12 million, is just recovering from a civil war. Eighty two percent (82%) of the population is poor, 22% of whom are very poor; 3 million are displaced; 150,000 are disabled; and 50,000 children are disabled. These statistics indicator just how important the reduction of poverty is for Angola.
- The PRSP intervention will be of great benefit to the country.
- The country is in need of capacity building, and has learned some useful lessons from Uganda and Tanzania, as well as from the Malawian experience on the role of Parliament.
- Angola is looking to ways of integrating into the PRSP programme in order to alleviate the poverty levels.

10. *New Partnership for African Development (NEPAD)*

- NEPAD Should increasingly link with PRSP within Africa.
- For it to be successful, NEPAD's broad priorities will have to be incorporated into National Budgets.
- NEPAD is drawing up a policy framework, which takes into account the international agenda for Poverty Reduction.
- National strategies will have to take into account NEPAD and vice versa.

11. *PRSP Implementation Matrix*

| <i>Country</i> | <i>Institution</i> | <i>Stage reached</i> | <i>MP participation</i> |
|-----------------|---|--|---|
| <i>Tanzania</i> | Vice President's Office | 1 st Year of Implementation | Parliamentarians actively participated in formulation and seek key role in implementation |
| <i>Uganda</i> | Ministry of Finance and Economic Planning | 3 rd Year of Implementation | Parliamentarians Actively participated in |

| | | | |
|-------------------|---|--|---|
| | | | formulation and are key players in implementation |
| <i>Malawi</i> | National Economic Council | Launched in April 2002, Decision Point | Parliamentarians' participation in formulation is on the rise. MPs will be active players in implementation |
| <i>Mozambique</i> | Ministry of Finance and Planning | 1 st Year of Implementation | Participation of Parliamentarians in formulation has been minimal. |
| <i>Angola</i> | Ministry of Planning | Interim | Parliamentarians' participation, though minimal at this point, is set to rise in post war scenario |
| <i>Zambia</i> | Ministry of Finance & National Planning | Decision Point | Parliamentarians' role was overshadowed by 2001 elections. MPs now keen to participate effectively |
| <i>Madagascar</i> | Office of the Prime Minister | Interim | Parliamentarians participation has to date been minimal |
| <i>Ghana</i> | Ministry of Finance | Decision Point | Parliamentarians have actively participated in formulation of the GPRS |

12. CONCLUSION

A broad consensus emerged revolving around the following points:

- There can be no single blueprint that can be prescribed to reduce poverty in heavily indebted countries. The tempo and policy instruments to be used to attain key targets within the PRSP framework, has to be determined by each countries specific peculiarities and not timelines insisted upon by donors prior to HIPIC debt relief.
- In order to enhance the participative/consultative dimension of the PRSP paradigm, it is imperative that Parliamentarians assume a more assertive and high profile role at both formulation and implementation levels. Not only will scaled-up involvement of Parliamentarians enhance genuine local/national ownership of the process, but it will also promote good governance, transparent policy management and accountability on the part of government bureaucracies.

- Whilst the PRSP process must be positively welcomed in that it signals a recognition on the part of the World Bank and IMF, that sustainable human development and poverty reduction should not be exclusively viewed in terms of economic growth statistics, the paradigm tends to overemphasize the significance of internal factors and processes, without addressing the negative impacts on least developing countries generated by globalization.

13. Resolutions

The following were the resolutions from the conference:

1. Although Poverty Reduction Strategies represent an important opportunity to reduce poverty in Africa, they are basically externally driven initiatives, coming with conditionalities imposed by the IMF and World Bank. African governments should develop indigenous programmes to deal with poverty reduction issues, and compare these programmes with those that are externally developed so as to have in place poverty reduction programmes that are most suited to their peculiar situations.
2. Poverty Reduction Strategy Papers should be considered to be dynamic and flexible policy instruments, which need to be periodically monitored and adjusted in the light of a changing policy environment.
3. For the Poverty Reduction Strategy Papers to succeed in meaningfully reducing poverty levels, it is absolutely necessary that political will at the highest level be mobilized in favor of the anti-poverty strategies, such as the fight against corruption.
4. There should be full involvement of parliamentarians throughout the PRSP process, from its launch to approval/endorsement stage in order to ensure full monitoring of the process.
5. There is need for capacity building of all key stakeholders (Members of Parliament, Civil Society Organizations and the ordinary people) in order to make the PRSP process truly participatory.
6. Members of Parliament need to be provided with full knowledge and skills of the PRSP in order to help them better understand and appreciate the PRSP process and its implications.
7. The Ugandan and Tanzanian experiences in respect of the PRSP process were recognized as examples of best practices in the implementation of the PRSP process and it was felt that countries that are still formulating their implementation strategies could draw useful lessons Uganda and Tanzania.
8. Governments need to work harmoniously with Civil Society Organizations in the successful implementation of the PRSP process. Civil Society Organizations should

participate and be involved at all levels of the PRSP process from launch to approval stage.

9. There should be full participation of the media in the PRSP process in order to facilitate dissemination of information and the exposure of good and bad practices.
10. For the PRSP process to meet its poverty reduction targets, it was imperative that effective monitoring and evaluation mechanisms are developed and operationalised. The Civil Society Organization and the people at the community level should be involved and participate in the monitoring and evaluation process.

14. Programme

Poverty Reduction Strategy in Africa—A new imposed conditionality or a chance for a meaningful development policy?

An International Conference, 17th and 18th June, 2002
At Intercontinental Hotel, Lusaka, Zambia

Programme

Sunday, 16 June, 2002

Arrival of international participants

19.00 h Dinner for international participants
Introduction and discussion of the program

Monday, 17 June 2002

08.00 h Registration of Zambian Participants

08.30 h **Introductory Remarks** by

- *Njunga Michael Mulikita, UNZA, Facilitator*
- *Michael Schultheiss, Resident Director of Friedrich Ebert Stiftung, Lusaka*

08.40 h

Official Opening by

Hon. Emmanuel Kasonde, Finance Minister

09.00 h **The Poverty Reduction Strategy Paper Concept and its Connection with the HIPC Debt Relief**

Dr. Mark J. Ellyne, Resident Representative of the International Monetary Fund in Zambia

09.30 h **PRSP and Development—An African Perspective**

Prof. Oliver Saasa, Institute for Economic and Social Research

10.00 h Discussion

10.30 h Tea Break

11.00 h **Country Paper Zambia**

- *Government Perspective: James Shamilimo Mulungushi, Ministry of Finance and National Planning*

- Civil Society Perspective: *Gregory Chikwanka, Civil Society for Poverty Reduction*

- 11.30 h **Country Paper Tanzania**
Clifford Tandari, Vice President's Office, Poverty Reduction Department
- 12.50 h **Country Paper Malawi**
Dr. Naomi Ngwira, Head, Department of Economics, Chancellor College, University of Malawi
- 12.10 h Discussion
- 13.00 h Lunch
- 14.00 h **Country Paper Mozambique**
Dr Cesar Palha de Sousa, Director, Associcao Cruzeiro do Sul
- 14.20 h **Country Paper Angola**
Mario Adaauto de Sousa, Research Institute for Socio-Economic Affairs
- 14.40 h Discussion
- 15.00 h Tea Break
- 15.15 h **Country Paper Ghana**
Ms Gifty Eugenia Kusi, NPP, Health, Mines, Gender and Children Committees
- 15.35 h **Country Paper Madagascar**
Ms Céline Rabekoriana, APEM
- 15.55 h Discussion: **Lessons from the Country Reports**
- 17.00 h End of day one

Tuesday, 18th June, 2002

- 09.00 h Recap of the previous day
- 09.30 h **Monitoring the Implementation of PRSP: The Ugandan Experience**
Augustine Museero, Programme Officer, Governance and Human Rights Programme, Uganda Debt Network (UDN)
- 10.00 h **The Role of Parliament in the Implementation of the PRSP**
Louis J. Chimango, MP, Malawi Parliament
- 10.30 h Tea break

- 11.00 h Discussion of the Papers
- 12.30 h Lunch
- 14.00 h Panel Discussion: **Poverty Reduction Strategy in Africa—A New Imposed Conditionality or a Chance for a Meaningful Development Policy**
Introduction: *Richard Humphries, Southern African Poverty Reduction Network*
- 15.30 h Tea break
- 15.45 h Conclusions and Recommendations
- 16.30 h End of the Conference

Wednesday, 19th June, 2002

Departure of International Participants

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