

SOUTHERN AFRICAN REGIONAL POVERTY NETWORK

NEWSLETTER No 5

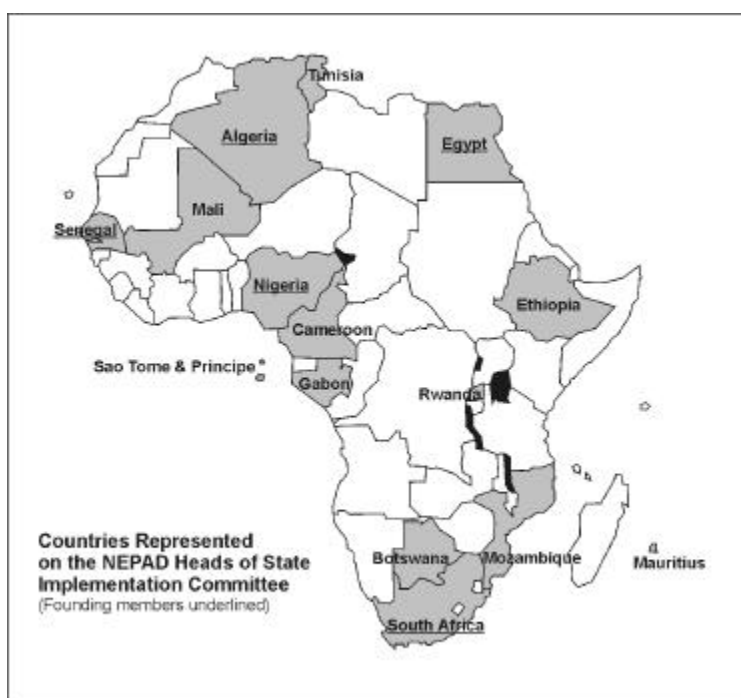
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Profiling NEPAD

On 11 July 2001 the Organisation for African Unity (OAU) Summit approved the New African Initiative (NAI), born from the merger of the Millennium Partnership for Africa's Recovery Programme (MAP) and the Omega Plan. The Heads of State and Implementation Committee meeting in Abuja, Nigeria on 23 October 2001 agreed on the New Partnership for Africa's Development (NEPAD), finalised the policy document and accepted the governing structure. This launched the implementation phase of the initiative.

Conceived and developed by African leaders, NEPAD is a 'comprehensive integrated development plan that addresses key social, economic and political priorities for the continent'. It entails a commitment by African leaders to African people and the international community to place Africa on a path of sustainable growth, accelerating the integration of the continent into the global economy. It calls on the rest of the world to partner Africa in her own development based on her own agenda and programme of action.



Goals

NEPAD aims to:

- promote accelerated growth and sustainable development
- eradicate widespread and severe poverty
- halt the marginalisation of Africa in the globalisation process.

The envisaged outcomes are:

- Economic growth and development and increased employment
- Reduction in poverty and inequity
- Diversification of productive activities, enhanced international competitiveness and increased exports
- Increased African integration

To drive the achievement of these goals

NEPAD has set up five workteams:

- Peace and Security - South Africa, with the OAU
- Economic and Corporate Governance - UNECA
- Infrastructure – Senegal with the ABD
- Agriculture and Market Access - OAU
- Financial and Banking Standards - ADB with Nigeria.

In addition, Algeria has declared an interest in the human development sector while Egypt has a role in the market access and market diversification workteam.

The Governance Structure

The governance structure aims to:

- strengthen Africa's capacity to lead her own development and improve coordination with development partners
- ensure capacity to lead negotiations on major development programmes requiring continent wide coordination
- accelerate implementation of major regional development cooperation agreements and projects already approved or in the pipeline
- strengthen Africa's capacity to mobilise additional external resources for her development.

Implementation process

The secretariat will coordinate production of business plans for the priority areas:

- Political governance including Peace and Security, and Conflict Prevention,



NEPAD Steering Committee Members

Country	Representative
Algeria	Amb M'hamed Achache Amb Rabah Hadid
Egypt	Amb Mona Omar Amb Raouf Saad
Nigeria	Amb Isaac Aluko-Olokon HC Tunji Olagunju
Republic of South Africa	Prof Wiseman Nkuhlu Mr Smunda Mokoena
Senegal	Dr Cherif Salif Sy Mme Gnounka Diouf

Management and Resolution

- Economic and corporate governance including the measurement of economic governance performance and a peer review mechanism
- Infrastructure including information and communication technology (ICT), water and sanitation, transport and energy
- Agriculture and market access including harmonising standards to encourage intra African trade, enhancing trade capacity through diversification and adding value, exchange rate management and encouraging private sector engagement with NEPAD, and creating uniformity and rationalisation by developing standard protocols and guidelines for negotiating international agreements and rationalising regional economic initiatives.
- Human development including health and communicable diseases, education and poverty eradication
- Capital flows including mobilising domestic resources, maximising private capital flows, reforming official development assistance (ODA) and identifying goals, criteria and mechanisms for debt reduction.

These plans, or draft versions, were presented for approval by the Heads of State Implementation Committee (HSIC) at its meeting on 25 – 26 March in Abuja. The final versions will be presented to the African Union (AU) Summit in July in South Africa. The programme will also be presented to the G8 Summit in June in Canada.

What makes it special?

NEPAD is a project of the African Union (AU), lead by mandated African leaders, driving an initiative that is African developed, managed and owned, with participating African countries accepting commitments and obligations in their own interests without externally imposed conditionalities.

In providing the overall strategic framework for Africa's development agenda it will also align itself with work being done by SADC and other regional institutions. The initiative will seek to establish linkages and synergies with existing initiatives rather than to duplicate, replace or compete with them.

(Based on: *NEPAD Policy Document*; *NEPAD in Brief*; *Rapporteur's Report, Work In Progress 1203* all at www.nepad.org Click on 'Recent Updates'. The NEPAD website and the SARPN website www.sarpn.org.za have more information on the origins of NEPAD, its structures, programmes and plans.)

Report from Abuja

The Heads of State and Government Implementation Committee (HSIC) issued a communiqué on its discussions in Abuja, Nigeria on 26 March 2002. It gives information on reports from the various task teams at the meeting and the ensuing discussions.

Peace and Security

The task team expressed concern about ongoing conflicts on the continent and called on all parties to cooperate in seeking peaceful solutions.

The meeting requested the sub committee to focus on:

- Enhancing capacity to undertake strategic assessments of conflict situations
- Supporting efforts to develop early warning systems
- Supporting post conflict reconstruction

- Curbing illicit trafficking in small arms and light weapons
- Supporting efforts to promote democracy, good governance and respect for human rights.
- Assisting to mobilise resources for the African Union Peace Fund.

The task team briefed the committee on efforts to improve continental and sub regional mechanisms to prevent, manage and resolve conflicts. The Committee supported this work and the task team's ongoing support for the establishment of a Council of the Wise to complement the envisaged AU Peace and Security Council.

Political Governance and Peer Review

The HSIC supported the *Draft Report on Good Governance and Democracy* and the *African Peer Review Mechanism (APRM)*. The mechanism will help to ensure that African countries base their policies on the best current knowledge and practices. It must be African designed, owned and managed and show that African leaders are fully aware of responsibilities and obligations to their people and will relate to the rest of the world on the basis of integrity and mutual respect. The committee supported establishing a Commissioner for Democracy, Human Rights and Good Governance in the AU.

The Committee approved eight draft Codes And Standards For Economic And Corporate Governance and an African Peer Review Mechanism.

Key themes and sectors

The summit considered draft action plans to fast track development in the following areas.

- Agriculture and market access
- Infrastructure (ICT, water and sanitation, transport, energy)
- Capital Flows
- Human Development (health and education)

Draft action plans on capacity building, poverty alleviation, gender issues and disaster management amongst others will be finalised for presentation at the next committee meeting.

Marketing and implementing NEPAD

The summit called for greater efforts to popularise NEPAD, especially on the African continent, in order to deepen ownership and increase involvement from the leadership and groups such as women and youth. To this end the committee called for the urgent implementation of the marketing and communication strategy.

The committee reiterated that it sees NEPAD as a vehicle for realising the Millennium Development Goals on the continent. African ownership to promote the legitimate aspirations of her people, and partnership with the rest of the world are both central to the process.

As NEPAD is a mandated initiative of the AU, its Secretariat and Steering Committee should work closely with the union. NEPAD and the Conference on Security, Stability, Development and Cooperation in Africa (CSSDCA) complement each other but also have areas of overlap and possible duplication, the Steering Committee should work with the OAU Secretariat to rationalise the two. Other priority goals include greater regional integration through the regional economic communities and addressing gender and youth issues.

Financing development

The HSIC welcomed the increased financial commitments made at Monterrey and the new relations being built with international development partners. It expressed the hope that commitments would

be realised and called for the creation of Special Drawing Rights (SDR) to help finance African commercial payments.

Calendar

Conference on Financing NEPAD, Dakar, Senegal, 15-17 April 2002

Third meeting of the HSIC, Rome, Italy, June 2002 (during the World Food Summit)

Fourth meeting of the HSIC, Durban, South Africa, 8 July 2002

NEPAD G8 Representatives

The leaders of the G8 countries have each appointed a personal NEPAD representative. They are expected to keep their government's informed of developments over Nepad, to liaise with senior Nepad structures and to help shape a collective G8 response to Nepad.

Country	Area of interest	Representative
European Union	Governance	<i>Giorgio Bonacci</i> : Director General of the Common Service For External Relations of the European Commission
Canada		<i>Robert Fowler</i> : Chairman of the G8 representatives and responsible for coordinating the June 2002 G8 Summit in Canada. Taught in Rwanda.
France	Water	<i>Michel Camdessus</i> : Retired Managing Director and Chairman of the IMF.
Germany	Trade, investment, economic growth	<i>Uschi Eid</i> : Parliamentary Secretary to the Federal Minister for Economic Cooperation and Development. Worked in Eritrea for GTZ.
Italy	Information and communications technology (ICT)	<i>Alberto Michellini</i>
Japan		<i>Nabutake Ondano</i> : Director General for African Affairs, Japanese Foreign Affairs Ministry.
Russia		<i>Simonia Nodari</i> : Director of the Institute of World Economy and International Relations.
United Kingdom	Peace and Security	<i>Baroness Valerie Amos</i> : Under Secretary of State in the Foreign and Commonwealth Office in the House of Lords. Advised the South African Government on transformation, human resource development, employment equity and human rights.
United States of America	Agriculture, Education, Health	<i>Walter Kansteiner</i> : Assistant Secretary of State for African Affairs. Advised on mergers, acquisitions and privatisations in Africa, including the Telkom privatisation in South Africa.

These representatives have held four meetings (in London, Addis Ababa, Cape Town and Dakar) and are expected to hold two further meetings (in Maputo, in mi-May, and in Canada, in early June) before the G8 meeting. The G8 countries have divided up their interest in Nepad's priority areas, taking responsibility for leading the development of a draft document on each priority area. These divisions are reflected in the above table. A draft composite document is expected shortly.

Initial Commentary on NEPAD

On 10 December 2001 Professor Ravi Kanbur of Cornell University presented a review of NEPAD and suggestions on how it might develop its poverty reduction framework at a lunch session and an afternoon lecture hosted by SARP. Here we give a brief overview of his paper entitled *The New Partnership for Africa's Development (NEPAD): an Initial Commentary*, and the discussions that followed its presentation.

Comparative advantage

After outlining the structure of NEPAD and its action programme, Kanbur's paper focuses on the question of how to prioritise amongst the large number of possible actions and interventions. He argues that this should be done on the basis of NEPAD's sources of comparative advantage, stemming from its origins and status as a regional institution with roots in African democracies.

Prioritisation

On specific poverty issues prioritisation should consider direct versus indirect impacts and short run versus long run consequences. An example of a long run, indirect intervention would be infrastructure investment for high technology manufacturing, while investment in health facilities or the development of an effective anti-malaria vaccine are examples of interventions likely to have a more immediate and direct impacts. Investments with long run positive impacts on poverty reduction may have short term adverse impacts that need to be taken into account.

Policy domains

Kanbur suggests that these two principles can be developed in the context of four policy domains, Global, Regional, National and Local. The global domain includes issues affecting all nations on the planet such as global warming or the WTO. The regional domain affects African countries such as trade preferences with the EU or Africa's response to the US African Growth and Opportunity Act and cross national issues within Africa like water rights. The national domain is the area most commonly discussed including national policies and budgets, the legal system, democratic governance and media freedom. The local domain goes right down to communities and households such as schooling, economic activity and local services.

Impacts on the poor

Because poverty is defined at the local level, the ultimate focus of policy in the global, regional and national domains must always be its impact, directly or indirectly on the poor at local level. For example the international development of a malaria vaccine would have a direct impact at local level, while international financial arrangements would have a more indirect impact through stimulating economic growth at regional and national levels.

Applying the framework

The paper goes on to apply this framework to a number of examples, noting that NEPAD's comparative advantage is particularly suited to issues of peace and security. Its advantage is less clear on issues of economic and political governance, with some issues perhaps better left to organisations like the African Development Bank. Kanbur argues that this area needs further debate before prioritisation. Under Sub Regional and Regional the paper again argues that some areas appear well suited to a regional initiative while for others there may already be organisations involved or be better suited to these initiatives. He raises similar concerns about Sectoral Priorities. This concern highlights the importance of coordinating NEPAD with other organisations and initiatives, an issue that is raised in the NEPAD document. In the area of Mobilising Resources Kanbur identifies a number of issues, such as the Capital Flows Initiative where NEPAD has a clear advantage and other such as Overseas Development Assistance (ODA) where the advantage is less clear and other agencies such as the Economic Commission for Africa may be better suited to deal with issues around, for example, Poverty Reduction Strategy Papers (PRSPs). On Market Access NEPAD would enjoy an advantage in areas such as negotiating Africa position at the WTO, but would be less well suited to specific sectoral issues such as mining. In areas such as the development of new industries, the discussion is too generalised at present to define a clear role for NEPAD.

Discussion

Issues raised included:

Areas of agreement

- Value of NEPAD in presenting an African voice in global debates
- Growing consensus that poverty reduction requires both a free market and state regulation and intervention, not either or
- The importance of strong institutional structures at different levels
- Development processes in one region spill over into neighbouring regions
- Poverty in Africa affects the industrialised countries
- Effectiveness of the RDP was influenced by the failure to focus on a few priorities
- NEPAD is not meant to replace or duplicate existing institutions but rather to increase their effectiveness through coordination
- Need to emphasise NEPAD's political authority as a heads of state initiative
- Aim is to motivate not control or set up a continent wide planning body
- Good governance has direct benefits for the poor, for example through the local level legal system
- At present it is too top down.

Areas of concern

- Failure to look at sustainable development as a strategic objective
- Applying the framework to the four fast track areas yields the following scores; communicable diseases – high, information and communications technology – low, debt reduction – high and market access too broad to score.
- The institutional dimensions of NEPAD are not clear from the documentation
- Civil society needs to be more involved and needs to push for greater involvement
- Many of the institutions referred to are dysfunctional
- Poverty reduction depends on a more self reliant local level approach, does NEPAD provide space for such an approach?
- Donors only fund programmes that fit their agenda
- Foreign direct investment (FDI) goes to countries rich in natural resources regardless of their political record
- Menu is overloaded, will need to be more specific to play a catalytic role
- Environment seems to be a difficult issue for NEPAD
- Diverse groups with different interests constitute the poor, NEPAD needs to be more specific
- In many African countries the civil service is weak, leading to poor implementation
- Need criteria for mutual monitoring. Areas like financial standards are easier to agree on.

Full text at www.sarpn.org.za

Monterrey Conference – Perspectives and Outcomes

Most media reports have cast the outcome of the Financing for Development Conference in Monterrey, Mexico in an overwhelmingly positive light. For example South Africa's Business Day newspaper noted that it 'resulted in a consensus that wealthy nations had an obligation to provide more development aid and slash trade barriers while poor nations were obliged to make sure that the money was well spent. United States President Bush pledged an additional \$10bn over three years, tied to political, legal and economic reforms, while the EU promised that its contribution would rise over several years to reach \$7bn a year by 2006. At present the United States gives about \$10bn a year and the EU \$25bn a year.

However, responses have been more wide ranging than such reports suggest. They include approval for the increased commitments from developing country governments, qualified by calls to address a wide range of outstanding issues, and strong criticism for the failure to address the fundamental

problems underlying the Washington Consensus on development from civil society critics of this approach. Here we look at some of these responses and at conflicting assessments of the outcome of the conference.

SADC perspectives

Several SADC leaders made statements at the Financing for Development Conference in Monterrey.

South Africa

South African President Thabo Mbeki characterised the conference as a declaration of commitment by world leaders to the people of the world to ‘eradicate poverty, achieve sustained economic growth and promote sustainable development as we advance to a fully inclusive and equitable global economic system.’

He welcomed commitments to increase official development assistance (ODA), but pointed out that more is needed. The commitments came in a context that has seen ODA declining from an average 0.35% of developed country GNP in 1990 to a present level of 0.23%, without ever approaching the 0.7% level committed. Post Doha negotiations on international trade need to increase access to markets for developing countries and address agricultural subsidies in the OECD countries. He noted the need for drastic revision of the Heavily Indebted Poor Countries (HIPC) initiative if it was to stem the flow of capital from the poorest countries and enable them to improve public services and infrastructure.

Mbeki called for partnership between North and South in these endeavours, as envisaged in NEPAD, and for greater coherence between the multilateral development institutions. He ended by pointing out that the skills and resources to end poverty are available. The Johannesburg World Summit on Sustainable Development needed to continue the process by detailing how to employ the finances committed at Monterrey.

Botswana

President Festus Mogae of Botswana noted that while individual countries have the primary responsibility for their advancement, development remains a global challenge with the global community setting many of the parameters.

Increased efficiency in applying development finance is important but should not be used to deny aid. At the same time developing countries need to ensure good governance and appropriate social and economic policies that recognise the roles of private sector, civil society and other stakeholders. The practice of using aid to promote economic activity in donor countries distorts economic development in recipient countries.

He calls for support for NEPAD and the fight against the HIV/AIDS pandemic in Botswana. In addition to ODA, development cooperation should extend to trade, private sector development, private investment, technology access and equitable and inclusive global governance.

Small and middle income countries that show real commitment to good governance, the rule of law and economic reform but fail to attract private investment need support. He echoed Mbeki’s calls on trade, the ‘primary means’ for integrating developing countries into the global economy, and on the need for greater coherence in the approaches of UN and the multilateral development institutions.

Mogae called on the UN to follow up on concrete proposals such as the international tax system to finance development proposed in the Zedillo report commissioned by the UN in preparation for the conference. He ends with the hope that the conference signals the start of a new era of development

cooperation based on strong political commitment from developed and developing countries, coordinated by the multilateral institutions. Achieving this requires clear mechanisms to monitor implementation of conference resolutions and progress towards the Millennium Development Goals.

Tanzania

The Tanzanian representative, Jakaya Kikwete, Minister for Foreign Affairs and International Cooperation, also welcomed the increased commitments but notes that more development assistance will be needed to reach the Millennium Development Goals. He notes improvements in the HIPC initiative but draws attention to the failure of non Paris Club creditors to participate in the initiative, and the impact on poverty reduction expenditure of excluding domestic debt and contingent liabilities from the debt sustainability analysis.

He recognises the importance of trade in promoting faster economic growth and development but points out that developing countries need the capacity to produce competitive goods in order to take advantage of market opportunities. They cannot develop prosperous economies and reduce poverty on the basis of trading raw cashew nuts and other primary products to finance imports of industrial goods. Subsidies, particularly of agricultural products pose an impossible challenge to developing countries in areas where they have comparative advantages. Globalisation only presents an opportunity to all nations if developing countries are given a fair chance. He notes that political social and economic reforms have not led to the expected flows of foreign direct investment and calls on developed country governments and the Western media to encourage more direct investment.

He ends by calling on both developed and developing countries to meet the commitments made at the conference.

A civil society view

This civil society response takes the form of an evaluation of the conference by Neville Gabriel. He is the Director of the Justice and Peace Department of the Southern African Catholic Bishops Conference, a member of the national executive of Jubilee South Africa, which campaigns for debt relief, and a member of the board of Transparency South Africa. Writing in his private capacity, Gabriel cites many of the same issues raised by the SADC leaders but comes to different conclusions about their meaning for poverty reduction.

He begins by noting that the Monterrey conference ‘offered a unique opportunity for world leaders to spawn a new spirit of democracy, transparency, accountability, and justice in global political, economic, and social development thinking,’ in response to growing international pressure from social movements and civil society organisations against increasing poverty, inequality and economic instability associated with globalisation informed by the Washington Consensus. The opportunity was unique because of the wide range of stakeholders from international finance institutions, private sector, non governmental organisations and government representing a range of sectors as well as finance departments that the UN assembled for the conference. However he argues that the resulting Monterrey Consensus fails to further the achievement of the millennium development goals (MDGs).

He notes a number of areas of failure.

- No substantial progress on problems confronting the HIPC debt relief initiative despite well developed civil society proposals for a legal mechanism to break the political impasse in the debt cancellation debate.
- Half hearted interest in the international currency transaction tax that could provide the additional \$50bn in development funding necessary to meet the MDGs

- Not addressing the need for more representative global governance mechanisms in the UN, IMF and World Bank

Gabriel argues that the focus on increased aid commitments is deceptive, with most of the US aid in the form of technical assistance, which he reads as policy advice, support to private business, which he sees taking the form of credit guarantees to US multinationals, removal of exchange controls and trade tariffs, and privatised health care and education. All of it will go to countries that ‘follow a “vigorous growth agenda” that “encourages private enterprise through market-oriented mechanisms’. While the EU is prepared to go further on debt cancellation, global governance, and trade issues, it was not prepared to argue for this at the conference, or to discontinue heavy developed country agriculture subsidies.

Overall, policies to overcome poverty remain centred on trade and foreign direct investment, despite evidence of their detrimental impact on the poor. For these reasons the civil society caucus at the conference refused to endorse the consensus.

South Africa’s role

Gabriel goes on to look at South Africa’s role at the conference. While noting that President Mbeki has placed the conference in an ongoing process with the World Summit on Sustainable Development (WSSD) in Johannesburg the next, he draws attention to a point made by Finance Minister Trevor Manuel ‘that the Johannesburg Summit should have preceded the Monterrey Conference if financing mechanisms were to conform to development needs rather than the other way around.’ This means that political considerations and development needs will have to comply with the agreed economic framework.

He links President Mbeki’s acceptance of the Monterrey Consensus to the favourable reception the conference gave to the New Partnership for African Development (NEPAD), with its emphasis on wealth creation and private investment as keys to African development. He notes the key role South Africa is increasingly playing in the international development arena, with Trevor Manuel chairing the World Bank’s key policy body, the Development Committee, a role that hosting the WSSD will consolidate. However he argues that the constraints on environmentally responsible socio-economic development will not be resolved until the structural problems of international power relations are addressed. In summing up he observes that poor people will reserve their support until there is real change in their situation.

For more information got to www.sarpn.org and www.un.org/esa/ffd/

Issues for the World Summit on Sustainable Development

This is an edited version of an interview CSERGE conducted with Saliem Fakir, Director of the World Conservation Union’s (IUCN) South Africa Office, on issues for the World Summit on Sustainable Development (WSSD) that will take place in Johannesburg in August and September this year. The next SARPN Newsletter will have a focus on the WSSD.

CSERGE: What are the key interests that will fight it out at the Summit?

Saliem: The general mood is not positive and we will not see the enthusiasm of Rio 92 repeated. We are likely to see a battle of interests around trade, energy, finance, and climate change. Issues of poverty alleviation, and globalisation will inform the agenda. WSSD needs to go beyond a review of Agenda 21 towards something more substantial that is forward looking.

There is also a debate on a future International Environmental Governance (IEG) system. The EU Council has proposed a governance framework. In my opinion this is more pragmatic than the notion of a 'super' environmental organisation and recognises the legitimacy of existing UN.

Another useful idea is for greater involvement of environmental and other Ministers in environmental governance and policy on implementing sustainable development. Last year, our own Minister, Valli Moosa was pushing for this.

CSERGE: What about the main strategies for meeting these challenges?

Saliem: There are two initiatives. The first is the Global Deal (GD) supported by the European Council and other European States. The second is the South African government's proposal for a set of actions called the Johannesburg Plan of Action. Alliances and partnerships will be needed to achieve post WSSD goals.

CSERGE: How significant is the GD? What do you think of it?

Saliem: It still needs to be fleshed out. There are three main elements: trade, de-linking environment and development, and ensuring developed countries adhere to their ODA commitments. It is a good starting point and can complement the Johannesburg Plan of Action.

CSERGE: What role will anti-globalisation or anti-privatisation social movements play at the WSSD?

Saliem: The anti-globalisation and anti-privatisation social movements are important and should have a platform. I think there has been some confusion, maybe even a deliberate attempt, to conflate violent anarchism and anti-globalisation. Anita Roddick, the former CEO of the Body Shop, has participated in anti-globalisation events. Is she now all of a sudden an anarchist?

CSERGE: In your expectations, how will positions be developed around trade and Corporate Social Responsibility?

Saliem: The Ministerial Declaration from the WTO meeting at Doha, Qatar links trade and the WSSD ensuring that it will feature. Developing countries will suspect that environmental standards may become a new form of non-tariff barriers. The EU is hard-pressed to deal with environmental issues because of its constituency and the proposed reforms to the Common Agricultural Policy (CAP). The African bloc is very keen that this issue be discussed.

All the major multinationals now have some sort of Corporate Social Responsibility (CSR) policy and committee. One needs to measure the talk against action. Some companies seem sincere and willing to adhere to sound environmental and labour practices. Consumers in developed countries are demanding it. With large corporations have more financial clout than many developing countries, there has to be an international regime governing corporate behaviour. At the moment there are only voluntary mechanisms.

Free Trade Agreements are also a concern. Some view them as an attempt to by-pass the WTO as it becomes more developing country focused. NAFTA is a case in point, its investor clauses may allow corporations powers over sovereign and democratic states. We have already seen a Canadian company, MetalClad, taking a Mexican municipality to court for introducing legislation it viewed as impacting on its bottom line.

CSERGE: What are key organisational challenges for the Summit? Have we learnt from the World Conference Against Racism (WOCAR)? Will there be effective interaction between the Global Forum and the UN Conference?

Saliem: I am hoping we have learnt. The Global Forum at WOCAR was a disaster, partly because South African NGOs are unaccustomed to dealing with international players and have been amateurish. I think the conditions that led to failure at WOCAR are present for the WSSD.

CSERGE: What impact will the South African civil society fracas have on the Summit?

Saliem: If there is no positive outcome South African NGOs will lose immense face and reputation, and may lose future funding from donors and partner northern NGOs. Politically it will be their death. WOCAR and the WSSD are important tests of our ability to become international players. The SA government is doing better at dealing with an international audience than the SA NGOs. I think the major problem in the NGO community is our inward focus. We forget the Summit is an international event. I think it reflects the lack of good political leadership. I doubt, that any NGO network, like SANGOCO, will survive failure for long. It has not shown vision. We have to go beyond pettiness and mediocrity.

CSERGE: Why hasn't South Africa developed a National Policy on Sustainable Development (NSSD)? Should it have?

Saliem: When Pallo Jordan was Minister for Environment, South Africa committed itself to an NSSD. It has completed a review of Agenda 21 as the foundation for a process to develop an NSSD after the Summit. The process will require consultation with other sectors as well as the environmental sector to take the NSSD beyond an environmental discourse so that it does not just become another boring exercise.

CSERGE: What is the state of affairs on Agenda 21 and preparation for the Summit in other SADC countries?

Saliem: I understand that a regional document is being pulled together. There have been regional review meetings.

CSERGE: What will be the impact of Zimbabwe on the African position at the Summit (in terms of NEPAD, for instance)?

Saliem: To suggest that NEPAD relies on Zimbabwe's behaviour and the reaction of Mbeki is an insult to other African leaders. Although Mbeki and others initiated it, the AU has adopted NEPAD as its own initiative. Its main drivers are Senegal, Nigeria, Egypt and Algeria. In addition, the G-8 has established a special committee to assist in pulling together NEPAD.

CSERGE: Is there adequate coordination between SADC countries for the Summit, and Africa in general?

Saliem: SADC is coordinated through its Secretariat. African coordination has been facilitated through the African Ministers Conference on the Environment (AMCEN). I doubt that there has been enough time to consider the issues seriously because of the shortage of resources. South Africa has played a supportive role in ensuring that an African Agenda is developed. A Ministerial Declaration in October, facilitated by UNEP stated the African position on the WSSD.

Full text at www.sarpn.org

WSSD and NEPAD

In this paper, Saliem Fakir, Director of the World Conservation Union's (IUCN) South Africa Office looks at the relationship between the Global Deal (GD), an initiative driven by Denmark to secure practical outcomes from the upcoming World Summit on Sustainable Development (WSSD), and NEPAD, widely accepted by African countries as the framework for their response to issues arising at the summit.

The GD sets out to give globalisation an ethical foundation. It has three major features:

- Breaking the link between economic growth and environmental impact for developing countries, with developed countries helping to ensure adequate management of resulting environmental impacts
- Linking sustainable development issues to the global trade regime an area where it comes close to suggesting that trade alone can secure economic development and negating the importance of sound domestic economic policies. It ignores the fact that 'market access is only important to countries with the capacity to add value to primary products.'
- Attempting to ensure that developed countries adhere to various international environmental agreements. An area where it focuses on the growing movement in Europe supporting sustainable consumption.'

The GD is an evolving framework that contains nothing really new and needs to be more clearly focused and to define its goals more clearly. Its real strength may lie in removing barriers that allow regional and country actions to be implemented more effectively. The real test will be whether it can truly promote self-development in poor countries.

NEPAD's greatest strength lies in the significant buy in from Africa countries. It seeks to knit issues of trade, foreign direct investment, monetary policy, overseas development assistance, debt relief, and economic policies and other national programmes together in a single development agenda to ensure that Africa secures benefits from globalisation. NEPAD has been accepted as the basis for African positions at the WSSD despite its limited coverage of environmental issues. What there is focuses on wetland conservation, protecting biodiversity and combating desertification, with little on urban areas and environmental justice issues relevant to many communities in Africa that live with the impact of polluting industries.

The biggest difference between the GD and NEPAD is that the latter focuses on the need to harness economic power in order to integrate Africa into the world economy and speaks to the realities of unequal political power and social exclusion. In contrast the GD fails to address the intricacies of development and its focus on trade is simplistic. It fails to address material issues such as the EU's Common Agricultural Policy (CAP), which has major impacts on developing countries. To build on its good start the GD needs to focus on reforming domestic agricultural policy and extend its discussions beyond Europe.

Full text at www.sarpn.org click on WSSD and NEPAD

Poverty Reduction Strategy Papers

The World Bank and IMF introduced Poverty Reduction Strategy Papers (PRSPs) for countries to develop nationally owned strategies to reduce poverty. In 2001/2002 the two international finance institutions (IFIs) conducted a review of progress with PRSPs. In this focus on PRSPs we look at a briefing paper prepared by Save the Children Fund UK for the review and at the main findings of the review. We start with a brief introduction to the PRSP initiative.

PRSPs in Brief

According to the World Bank's PRSP Sourcebook, 'National poverty reduction strategies can improve the poverty impact of expenditures financed by external partners and the effectiveness of technical advice by increasing country ownership and shifting policy to a more results-oriented approach. ... The objective is to encourage low-income countries to reduce poverty by focusing on a renewed growth oriented strategy.' (WB, p1)

The IMF defines PRSPs as follows. 'Poverty Reduction Strategy Papers (PRSP) are prepared by the member countries through a participatory process involving domestic stakeholders as well as external development partners, including the World Bank and International Monetary Fund. Updated every three years with annual progress reports, PRSPs describe the country's macroeconomic, structural and social policies and programs over a three year or longer horizon to promote broad-based growth and reduce poverty, as well as associated external financing needs and major sources of financing. Interim PRSPs (I-PRSPs) summarize the current knowledge and analysis of a country's poverty situation, describe the existing poverty reduction strategy, and lay out the process for producing a fully developed PRSP in a participatory fashion.' (www.imf.org)

PRSPs are needed to qualify for concessional lending and debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative. Over 70 countries are at present participating in the initiative, including a number in the SADC region. (See box for further details) Once a country has completed its PRSP it must submit it to a joint staff assessment (JSA) by the World Bank and IMF. Based on this assessment the boards will consider its approval.

The HIPC Initiative

The Heavily Indebted Poor Countries Initiative (HIPC) is a comprehensive debt reduction approach for poor countries unable to sustain debt burdens. The country must show continued effort toward macroeconomic adjustment and structural and social policy reforms and must adopt a PRSP to qualify for support under the initiative. It must show progress in implementing this strategy to secure ongoing support.

SADC countries at present classified as heavily indebted poor countries are Angola, Democratic Republic of Congo, Malawi, Mozambique, Tanzania and Zambia.

Tanzania and Mozambique have reached completion point, the final stage in the HIPC process; Zambia has submitted its PRSP and Malawi has completed an I-PRSP and is in the process of completing its PRSP.

Factsheet – HIPC, www.imf.org

Save the Children Fund briefing on PRSPs

Save the Children Fund UK (SC UK) bases its briefing paper for the PRSP review on experience in its programmes in 25 countries engaged in the Poverty Reduction Strategy (PRS) process. It received submissions from 14 of these countries including Angola, Mozambique and Tanzania in the SADC region. SC UK welcomes the space opened by the World Bank and IMF 'for countries to develop policy choices based on the real needs of poor people,' but raises three broad areas of concern. (SC UK, p3)

Ownership and participation

The pressure to complete the process and qualify for debt relief ‘can harm the quality of civil society participation and miss out on valuable insights on poverty reduction’ This may also limit the extent of ownership of the final document. To be truly participatory, development strategies must take the views of poor people seriously and reflect them in strategies.

Recommendations

- The World Bank and IMF should ensure that there is enough time for broad civil society participation and that the variety of views expressed is reflected in the final PRSP text.
- Seek strategies to resolve the tension between qualifying for debt relief and participation.

Including all civil society

Children, young people and older people, women, minority groups and the disabled are being left out of discussions despite the insights they have into their own situation. The individual poor, smaller, less well resourced groups including NGOs, religious groups and trade unions, and other marginalised groups need to be recognised and directly involved in the PRSP process. Some countries have ignored poverty strategies produced by civil society that contain a rich variety of information and initiatives.

Recommendations

- The World Bank, IMF and governments should create space and time for marginalised groups to participate in formulating and monitoring PRSPs.
- Government should include the insights of smaller, less well organised civil society groups through Participatory Poverty Assessments, hearings and consultations and should recognise parallel participatory processes

Policy content

The PRS approach was designed to achieve a better match between macro economic policy and poverty reduction. However there is little consideration of macro economic and structural policy alternatives. This is necessary for national ownership. There is also little explicit analysis of the social impact of particular policy choices and mechanisms for assessing the impact of policy choices are not specified. The importance of tackling childhood poverty for long term poverty reduction does not get enough attention. Despite high economic growth projections that should provide adequate financing many countries plan to retain user fees to help finance social services. Only a few (including Malawi) have abolished or limited certain user fees. Most Interim Poverty Reduction Strategy Papers (I-PRSPs) and PRSPs don’t give enough attention to effective social safety nets to protect poor people.

Recommendations

- Encourage governments to include civil society economic as well as social policy discussions, and provide time and training to help them participate effectively.
- All PRSPs should include:
 - before and after social impact assessments based on qualitative and quantitative information, including participatory assessments.
 - poverty data disaggregated by age and gender, including analysis of childhood poverty
 - action plans for reducing childhood poverty through providing tangible benefits at household level supported by national policy.
- PRSPs must ensure that children and young people’s rights to health care and education are not compromised by inability to pay user fees. Where reallocation, growth and revenue collection do not provide enough resources for key basic services, governments and donors should move away from user fees towards greater risk pooling.

- PRSPs should contain a commitment to develop effective safety nets for the poor and vulnerable, and IFIs should raise ceilings on social expenditure put in place to control fiscal deficits if necessary.

World Bank IMF Review of PRSPs – Main Findings

The review process set out to gather the views of low income countries, development partners and other stakeholders and culminated in an international conference on the PRSP approach in January 2002.

A broad consensus

The review confirmed ‘broad agreement among low-income countries, civil society organisations and their development partners’ on the value of the PRSP approach for poverty reduction. Participants agreed that process and content had improved with experience.

There was a growing sense of ownership of poverty reduction strategies by governments and many civil society organisations, more open dialogue between them, and greater attention to poverty reduction in policy debates. Major donors and UN agencies have accepted the PRSP approach.

Main themes underlying this consensus are:

- The importance of country ownership
- Shifting from process to content and implementation, and understanding the links between policies and poverty outcomes
- The importance of using and building local capacity
- The need for realism in setting targets and goals and managing expectations
- The importance of openness within countries and in international development partnerships
- The importance of flexibility to allow for different country starting points
- The desirability of debate about alternative policy choices
- The importance of patience and perseverance in implementation.

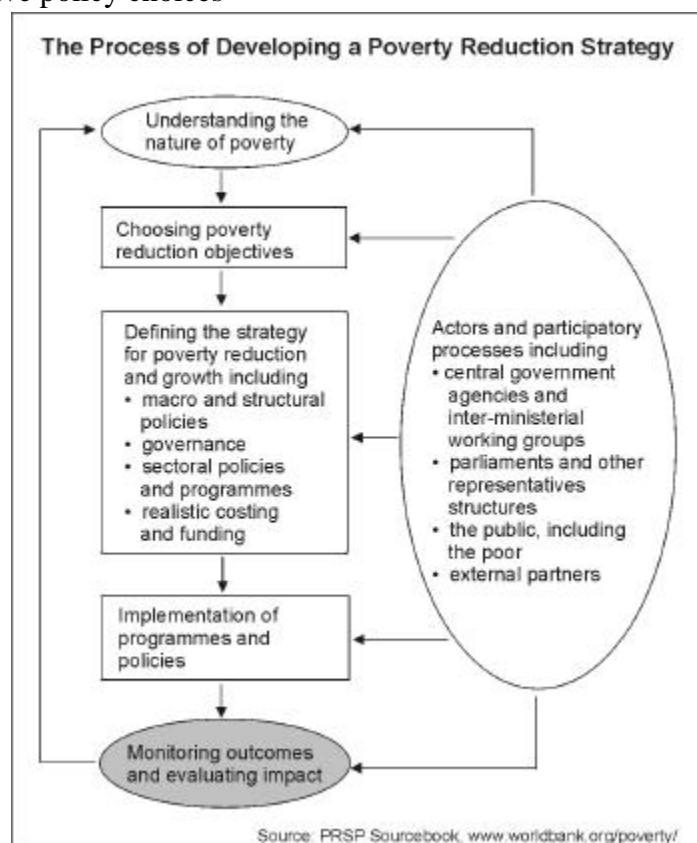
To improve the preparatory process and content of strategies countries should:

- Improve public expenditure management (PEM) systems
- Emphasise and build capacity for monitoring and evaluation
- Strengthen and institutionalise participatory processes with a broad range of domestic stakeholders and development partners.

The review looks at key findings on a range of issues and suggests good practices to address them.

Participatory processes

Here the review notes the importance of the open and participatory nature of the PRSP approach, and the need to improve participation by parliaments and other



groups that have not been fully involved. These include civil society organisations out of favour with government, local government officials, private sector representatives, women's groups and direct representatives of the poor.

Good practices

Sustaining and building stakeholder involvement, making information available and easier to understand, improving feedback mechanisms and involving donor round tables in the drafting process.

For donors, the Bank and the Fund the need to give timely and constructive feedback and support civil society capacity building, and for the Bank and Fund to link the whole country team to the PRSP, inform stakeholders about activities and indicate the extent of participation in JSAs.

Conflict affected countries

The review notes problems confronting these countries in preparing PRSPs including weak administrative capacity, poor data, weak security and a fractured social and political environment. The consensus is that the existing framework is flexible enough to meet their special needs.

Good practices

Donors, the Bank and the Fund should improve coordination and timeliness of support and support conflict analysis, prevention and peace building. The Bank and Fund should sensitise country teams and be flexible in applying JSA guidelines especially around participation, quality of analysis and detailed articulation of policies.

Monitoring and evaluation

The review notes that the PRSP process has generally improved performance in these areas but has also highlighted weaknesses. PRSPs have not included poverty and social impact analysis of major policies and programmes, largely because of capacity constraints and technical difficulties. While measurement of final poverty outcomes/impacts is improving PRSPs often lack good intermediate indicators to help track the implementation of public programmes.

Good practices

Developing the necessary institutions, analysing the social and poverty impact of major policies and programmes, setting realistic targets and developing appropriate intermediate indicators. For development partners, the Bank and the Fund, good practices include supporting and assisting this work. The Bank should lead in assisting governments with poverty and social impact analysis.

Clarifying priority public actions

The review notes the lack of prioritisation and specificity in PRSPs to date. While recognising macro economic stability as essential to growth and poverty reduction there was little discussion of the links between macro economic and structural policies and poverty reduction. Analysis of likely sources of growth did not back ambitious growth targets.

Allocation of public spending to poverty reducing activities including health and education was not backed up, except in the case of Mozambique, with a discussion of revenue measures. Gender issues were generally weakly represented outside the health and education sectors, HIV/AIDS coverage was weak, and while most PRSPs featured governance and corruption, they generally failed to identify major challenges or indicators to monitor progress.

Rural development features as a cross cutting theme with the focus on increasing access to, and productivity of, natural resources and improving rural health and education. The discussion of rural issues tends to be brief and vague on implementation, making it difficult to assess the likely impact.

Social protection programmes receive little coverage in African PRSP programmes in contrast to those from Latin America and the European Community and Asian countries.

PRSPs generally acknowledge the importance of the private sector for growth, and poverty reduction but coverage of related structural issues varies. They also recognise the importance of small and medium enterprise for income generation. Several PRSPs include measures to improve the environment for small and medium enterprises and some also focus on better credit and savings opportunities for the poor including rural credit. Infrastructure is an important element in growth strategies with the focus generally on rural areas.

While all full PRSPs support open trade, they are limited on underlying issues and do not deal specifically with the experience of past trade reforms. Some including Mozambique have specific measures to support trade liberalisation but do not clarify the link between these reforms and growth and poverty reduction.

Good practices

These include: detailed discussion of macro economic frameworks and pro poor growth strategies; developing alternative macro economic scenarios including contingency spending plans and alternative revenue paths, policies to reduce risks from external shocks and/or ensure debt sustainability; improving the efficiency of services to the poor, improving prioritisation and specificity with consideration of cross cutting and sectoral issues; reviewing governance and institutional development problems to build consensus on the main governance challenges to poverty reduction; developing core skills including PEM, poverty diagnostics, monitoring and indicators in sectoral ministries.

For development partners, the Bank and the Fund good practices include: fostering civil society capacities for prioritising, benchmarking and monitoring progress on governance; investing in tools about sectoral and governance-poverty links and supporting adaptation for different countries; supporting line agencies to produce sectoral strategies based on the PRSP approach; deepening efforts to understand the links between policy action and pro poor growth. The Bank and Fund to devote sufficient resources to support training, economic sector works and technical assistance.

Managing public expenditure

In many countries public expenditure management (PEM) systems are too weak to present the overall public expenditure programmes in the PRSP and to monitor implementation. Domestic stakeholders and donors have highlighted the importance of improving PEM systems.

Good practices

Outlining the current state of the PEM and plans for improving it in the PRSP, and outlining plans for developing a medium term expenditure framework where this does not exist. For development partners, the Bank and the Fund good practices involve providing resources and technical assistance for this purpose.

Improving the integration of PRSPs into other decision making processes

Generally governments are committed to preparing PRSPs at the highest levels. In some countries however the PRSP is not clearly linked to established government planning and strategy processes and is primarily driven by HIPC and Poverty Reduction and Growth Facility (PRGF) schedules. The PRGF is a parallel process to the PRSP. (See next paragraph)

Good practices

Integrating the PRSP with other government decision making processes, including the budget.

Improving donor alignment and harmonisation

Harmonising and aligning donor processes with PRSPs is crucial for their success and the Bank and Fund have a special responsibility to do this. The Purpose of the IMF's review of the PRGF is to secure this alignment and clarify links between the processes.

Good practices

Involving donors in PRSP preparation and actively coordinating the alignment of the local donor community and disclosing lending and granting PRSP documents. For development partners, the Bank and the Fund aligning their business plans with PRSPs, identifying alignment issues and encouraging openness and transparency on funding issues, simplifying access to donor aid, expanding programmatic lending and improving the predictability and timeliness of aid flows.

For the Bank and Fund, align the Fund's PRGF and the Banks country specific business plans with PRSPs, publish country documents in the language of origin, enhance transparency by allowing authorities to voluntarily disclose documentation submitted in support of lending, strengthen internal review of lending programs to align them with PRSPs and streamline conditionality.

Balance between speed and quality for HIPCs

A common criticism is that governments, especially of HIPCs are induced to sacrifice quality in order to access debt relief quickly. The review notes that in many cases the interim relief available between decision and completion points for the PRSP is a substantial share of the relief available after the completion point is reached. The need for flexibility this will be assessed case by case.

Future Monitoring

Effective implementation is more likely with regular monitoring, evaluation and revision of strategy, but there are concerns about the burden this will place on government capacity.

Good practice

Preparing and publishing annual progress reports with forward looking policy matrices, deciding on appropriate periods for revision (up to five years) in line with existing planning cycles, publicly announcing a new governments intentions for the PRSP after a change of government.

For the Bank and Fund, maintain the annual reporting requirement and develop guidelines for reports and give greater attention to risk evaluation including projected growth rates and vulnerability to external shocks and financial flows.

The review notes that the international community should continue to monitor the experience of low income countries in implementing the PRSP approach and should support the development of their capacity to learn, disseminate good practice and enhance the knowledge base and understanding of growth and poverty reduction.

PRSP focus based on

IMF, 2002, *Poverty Reduction Strategy Papers*, www.imf.org/external/prsp/prsp.asp

_____, 2002, *Factsheet – Debt Relief under the Heavily Indebted Poor Countries (HIPC) Initiative*
www.imf.org/external/np/exr/facts/hipc.htm

World Bank, 2002, *Review of the Poverty Reduction Strategy Paper (PRSP) Approach:*

Main Findings; www.worldbank.org/poverty/

_____, 2001, *PRSP Sourcebook Overview*; www.worldbank.org/poverty/

Save the Children UK, 2001, *Save the Children UK submission to the IMF/WB review of PRSPs*
www.sarpn.org.za

Spending on Poverty Reduction in Zambia

Highlights from the budget speech of Hon E Kasonde, Zambian Minister of Finance and National Planning delivered to the National Assembly, 1 March 2002

External Debt

Zambia's total external debt at the end of 2001 stood at US \$8.3 billion up from US \$6.3 billion at the end of 2000. The rise was mainly due to creditors not extending expected debt relief, which would have reduced total debt to US \$5.9 billion.

On reaching Decision Point under the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative in December 2000, Zambia expected all creditors to immediately extend interim debt relief. Although some did, (International Monetary Fund, World Bank, African Development Bank, Canada, France, United Kingdom and Japan) many creditors have yet to do so.

Progress on the Poverty Reduction Strategy Paper

Zambia completed a draft Poverty Reduction Strategy Paper (PRSP) in September 2001, consulting stakeholders including civil society, academia, NGOs and traditional leaders. The draft was presented to a national stakeholder forum in October 2001 and is now being finalised for submission to Cabinet.

The primary goal is sustained medium term economic growth of five to eight per cent to allow for increased real spending on poverty reduction programmes. The PRSP regards four sectors, agriculture, tourism, manufacturing and mining as having potential for sustained poverty reduction. Strategies to realise their potential include investment, export promotion, public spending on infrastructure development and maintaining a stable macro-economic environment.

Poverty Reduction Expenditure in 2001

In 2001 a total of K186 billion was spent on poverty reduction programmes. Expenditure concentrated on rural development programmes including road construction, electrification, irrigation and control of livestock diseases. Funds also went to providing educational materials, vocational skills, primary health care, drug purchases, malaria control programmes and water and sanitation facilities. Less than 53 per cent of the amount budgeted for HIPC Initiatives was spent due to difficulties in finalising financing arrangements and the need to set up monitoring and accounting mechanisms.

2002 Budget Targets and Priorities

Maintaining macro economic stability faces three grave challenges, Anglo American Corporation's withdrawal from Konkola Copper Mines, the failure to achieve food self sufficiency and enhance food security and the HIV/AIDS pandemic. With the theme 'Food Security Through Production and Job Creation' the budget for 2002 aims to achieve real GDP growth of at least 4 per cent, lower annual inflation to 13 per cent by year end, limit the budget deficit to 3 per cent of GDP and increase international reserves by US \$129 million.

For 2002 K450 billion is targeted specifically at priority poverty reduction programmes identified through the PRSP. Government is setting up a HIPC Initiative monitoring committee of stakeholders to monitor use of HIPC resources. An annual report of these activities will be prepared for public information and discussion.

Agriculture is seen as the primary engine for broad based economic growth and poverty reduction. Government is providing funds to facilitate the supply of fertiliser (K 100 billion) and to subsidise

fertiliser for small scale but commercially viable farmers to produce maize (K50 billion). It will also distribute input packs to help them grow subsistence food crops (K10 billion).

Under the Poverty Reduction Programme K27.8 billion is allocated for feeder roads, K1.5 billion for canals and K 5 billion for rural electrification. Basic school students from vulnerable households get bursaries to the value of K5 billion in addition to K12 billion allocated to the Public Welfare Assistance Scheme that assists vulnerable people to access health care and primary schooling. (See *Will the Poor go to school? Cost sharing in education in Zambia* in this newsletter)

The full text of the budget speech is available at www.zamnet.zm/budget2002/index.html

Will the poor go to school? Cost sharing in education in Zambia

Summary of a report by Oxfam-Zambia and the Jesuit Centre for Theological Reflection, October 2001

Zambian households pay almost double the amount contributed by the state for primary education. With most Zambians living below the poverty line enrolment and retention rates have suffered since government introduced cost sharing for primary schooling in 1995. Predictably the poorest children – and especially girls – are hardest hit by cost sharing. Research quoted in the report shows that household income closely matches attendance rates and that attendance rates are lowest for households that rely on small-scale farming. Cash is not the only concern, respondents pointed out that they had to weigh the cost of losing the child's labour on the land and in the home – with care of the sick an escalating burden – against the uncertainty that schooling would translate into improved household income.

State fails to meet commitments

The state appears to have abandoned its 'Education for all by 2015' commitments. Failure to spend that full amounts allocated for education may mean that households are carrying even more of the burden than budgeted expenditure suggests. In 1998 authorised state expenditure on education was K132 billion while households spent k 77 billion. However much of the authorised state expenditure remains unspent each year. In 1997 for example only 3% of the authorised budget for education was spent. The result is that rather than the partnership envisaged in the cost sharing policy, primary education depends largely on community funding in Zambia.

Counteracting the crisis

The report makes useful recommendations to counteract the crisis of declining access to education. With the focus on universal access to quality primary education the report suggests giving expenditure on primary education the same compulsory status enjoyed by debt servicing in the national budget. As immediate measures it suggests suspending payment of primary school fees and stemming corruption with the dual aim of ensuring that state resources are spent properly and rebuilding donor confidence. Accountable agencies should monitor the inflow and use of resources. The report clearly advocates re-assessing the prioritisation of education spending to realise the basic human right of basic education for all, noting that the state spends K100 on tertiary level learners for every K1 it spends on a primary school learner. The report advocates further research and analysis to go beyond the issue of funding and examine fundamental flaws in the education delivery system.

Without doubt this research indicates cost sharing has been ineffective in providing resources for schools and discourages enrolment and retention of pupils – especially the poorest children.

Can Africa halve its poverty by 2015?

On 4 April 2002 SARPAN hosted a lecture by Clare Short, the UK Secretary of State for International Development on this topic.

In her lecture Minister Short noted that reaching the Millennium Development Goals (MDGs) with their overall target of halving the number of people living in poverty by 2015 will require a significant increase in development effort from the entire international community. So far the world is on track to meeting this goal largely because of successes in Asia, but Africa is becoming poorer. This is the challenge facing the New Partnership for African Development (NEPAD). Slavery colonialism, apartheid and the Cold War have been cruel to the people of Africa, but part of the explanation also lies in policies pursued by African governments. Almost 50 per cent of Africans live on less than a dollar a day, 20 per cent are affected by violent conflict and more than 25 million people are living with HIV/AIDS. To reverse the trend and halve poverty in Africa by 2015 will need strong commitment from leaders and real partnership from the industrialised countries.

Minister Short set out six priority areas where NEPAD needs to achieve success to ensure that Africa achieves the Millennium Development Goals.

- Armed conflict is now concentrated in the poorest parts of the world and increasingly takes place within rather than between countries. According to World Bank estimates it is costing Africa 2 per cent in growth every year. NEPAD has identified this as a priority and it should take top priority at the G8/NEPAD talks in Canada in June
- At present economic growth on the continent averages about 3 per cent. To halve poverty by 2015 Africa needs an economic growth rate of 7 per cent. Countries like Uganda, Mozambique and Botswana are already achieving this level and others show promise but NEPAD has to ensure that this spreads across the continent. Economic development and poverty reduction require better economic and political governance, effective democracy that gives the poor a voice, a flourishing private sector, the rule of law, universal health care and basic education.
- Fairer trade rules are essential. At present trade rules impede the processing and value adding activities Africa needs to improve its position in world trade. The WTO is moving to consider trade barriers erected by developed countries. African countries also need to increase trade with each other and overcome the lack of regional economic integration they inherited from the colonial era.
- Poor transport and communications are a barrier to economic growth. To attract international investment and retain domestic savings to invest in infrastructure development, progress on reducing conflicts, improvements in governance and the enforcement of the codes and standards agreed at the recent NEPAD meeting in Abuja are crucial to.
- Investment in human development is the fifth issue. Health care, particularly the fight against HIV/AIDS and other communicable diseases is the key along with education, which is a crucial investment for a successful modern economy. The evidence is clear that the single most powerful investment any country can make is to educate its children - including its girls.
- The final issue is aid. NEPAD and the Monterrey Consensus have called for more and better aid with studies indicating that an additional \$50 billion a year, roughly double present levels, is needed to meet the Millennium Development Goals. Improvements in the quality of aid call for further progress in untying aid from the trade and investment interests of donor countries and supporting poverty reduction strategies devised by developing countries themselves. Unsurprisingly, local reform agenda have been far more effective than those imposed from

outside and the accompanying improvement in financial management and strengthening of local institutions has made aid spending more effective.

Minister Short ended by calling on NEPAD to bring a new drive, a new political energy and a greatly sharpened focus to push forward African development. Most important of all, the people of Africa must be empowered to demand more of their governments and of the international community – both of which have let them down too badly for too long.

Wiseman Nkuhlu replies

In his reply to Minister Short's lecture, Wiseman Nkuhlu, chairman of the NEPAD Steering Committee, said that NEPAD was making real progress but faced complex challenges. For the first time African leaders have acknowledged their contribution to increased conflict and poverty on the continent and committed themselves to changing this. Ordinary citizens should take them seriously and hold them accountable, because without this the process may not go very far.

Establishing conflict resolution mechanisms and structures is critical to NEPAD's success. The structures and institutions should be permanent, able to act as a future deterrent to those who see conflict as an easy route to power on the continent.

Enhancing political and economic governance is NEPAD's second building block. African countries have signed a number of human rights instruments such as the UN and OAU human rights charters committing themselves to democracy and human rights but these have not been implemented and election rigging and other abuses continue. The political standards NEPAD is drawing up, based on international conventions that Africa has participated in, will be underpinned by independent peer review mechanisms that are free from political manipulation. NEPAD recently held a meeting in Addis Ababa with the African Development Forum to get input from civil society and the private sector on these processes. The plan is to hold similar forums in every country. NEPAD itself as a continental level initiative will deal with pan African and global structures, relying on those institutions to get inputs from affiliate structures.

Sustainable economic growth in Africa requires a framework of economic policies and democratic rights so that individual Africans feel free and confident to invest their savings in Africa. The second requirement is to remove barriers to trade between African countries. These things are within the power and competence of African government. The other very important factor is access to markets in industrialised countries.

Achieving the Millennium Development Goals is a priority for NEPAD but without drastic action this will not be possible. The focus here is on three things:

- Agriculture is the dominant economic sector in Africa, a programme that will empower people on the ground will be taken to the public for inputs once it is ready
- A comprehensive health programme is being drawn up for the continent. It is based on comprehensive participatory processes
- The third area is primary education.

In all three areas the least developed countries on the continent will not achieve the 2015 targets without significant increases in assistance and NEPAD is developing a strong case for this.

The final priority area for NEPAD is establishing the foundations for higher levels of sustained growth through increased technical skills, bridging the digital divide and infrastructure development. Without addressing these issues, the other reforms will not yield the desired improvements.

The programme is being developed using African resources as the basis for an enhanced partnership with the developed countries. If the nucleus of African leaders championing the process holds together and civil society applies pressure to make sure that it is not reversed this will truly be the African century.

Questions

Professor Nkuhlu pointed out that in his view enforcement depends on transparency and openness supported by standards and peer review. The public needs to know its rights and the media needs to be effective throughout the continent. As trade links between African countries grow it will be easier to apply sanctions by denying countries the benefits of regional integration.

Africa can determine its own path by using its own institutions and listening to people on the ground. There are two levels of involvement. The information NEPAD is using comes from participative processes in pan African structures and forums such as the Dakar conference on education and the Abuja conference on HIV/AIDS. NEPAD also uses information collected over a long period of time by various UN agencies and institutions such as the African Development Bank and World Bank. The other level, and this is the focus now, is direct participation by people involved in project implementation.

NEPAD is not just about liberalising economies, it is about laying foundations, the market access issues, the infrastructure issues, the human development issues. It is a response to the negative consequences of globalisation. It also focuses on enhancing and coordinating the negotiating capacity of African governments so that they can influence forums like the WTO.

Responding to a question about limiting the number of terms that African leaders serve he pointed out that the situation has changed. In the Cold War world openness and transparency were not needed to get aid but that has changed. Democracy is deepening, and people are demanding their rights. He supported the limitation of terms but some developed countries do not observe this so there is no global standard. NEPAD is suggesting two terms but cannot prescribe.

NEPAD has adopted the MDGs but they will be linked to goals set in country specific integrated development plans. Overall it accepts the target of 7 per cent growth per annum for Africa.

Minister Short pointed to lessons from experience showing that programmes that don't let people set their own priorities do not work. Effective programmes need decentralisation, consultation, transparency and accountability.

On the gap between rich and poor countries she said that the picture was not one of the unremitting growth of poverty. Rapid growth that reduces the gap between rich and poor countries is possible. This is essential not only for moral reasons but also to make the world a safe place to live in.

Private sector investment plays an important role even in developed countries, for example Japan is a major investor in the UK. The transnational corporations, properly managed and regulated, provide access to modern technology across the world.

On OK initiatives Minister Short noted that the EU negotiates as a unit at the WTO. As a membership based organisation, the WTO gives the developing world the chance to dominate. The UK has helped to strengthen negotiating capacity and Doha is evidence of that starting to work. The UK has also supported the legal advisory centre that helps poorer countries to finance trade lawyers, and is working to improve representation for countries in Geneva. The UK wants to reform agriculture but has to work through the EU where some countries want to retain protection.

On making globalisation more positive she pointed out that it has been going on for a very long time and you cannot stop the world from integrating. The poorest countries have been those that have closed themselves off. The worst scenario, and on that is not impossible, would be a marginalised Africa. Some people lose out in the rapid change that has characterised recent globalisation and governments and international institutions must protect people and help them to get training and new jobs. Another aspect of globalisation is increasing consumer pressure for fair trade and manufacturing processes that respect labour and environmental standards.

The full transcript of the workshop has been posted on SARPN's web.

Regional Workshop on the Mozambique Land Law

4-5 April 2002

Venue: Nucleo de Estudos da Terra Desenvolvimento (NET) University of Eduardo Mondlane
Maputo, Mozambique

Rights and access to land-based natural resources in Mozambique
Implications of the Mozambican Land Law experience for poverty alleviation in Southern Africa

As a follow-up to the SARPN conference on land reform and poverty alleviation in Southern Africa, held in June 2001, a two-day workshop was held in Maputo on the 4th and 5th of April 2002 to take forward discussions on the impact of Mozambican land law for poverty alleviation processes. In particular the workshop focussed on the land market in both rural and urban areas in the country. The event was organised jointly by SARPN and the Land Unit (Nucleo de Estudos da Terra Desenvolvimento, NET) of the University of Eduardo Mondlane.

A wide range of stakeholders in the current Mozambique land debate participated in the workshop, including representatives of the Ministries of Agriculture and Rural Development, the Land Commission, the Land Forum, FAO, DINAGECA, ORAM UNAC, academics, researchers and independent consultants.

Delegates from outside Mozambique were also invited and included representatives of IFAS in South Africa with experience in land markets. Two senior Angolan delegates were also invited as a consideration of the similarities between the ongoing Mozambican process and what may potentially unfold in Angola. Dr Afonso Norman represented the Angolan Ministry of Agriculture and Rural Development as the Gabinete Juridico, which is charged with land legislation for Angola while Francisco Bongue represented civil society as a senior member of the Angolan Land Forum. Their participation was coincided remarkably with the amnesty agreement in Angola which potentially heralds the beginning of major reforms in the country, including land ownership and tenure.

A number of commissioned papers were presented during the workshop, facilitated by Professors Jose Negrao and Arlindo Chilundo. The set of papers focussed on two major aspects of the implementation of the law, namely the land market in urban areas (with a particular focus on problems and solutions) and the land title market and rural economic development. The papers included the following:

- Professor Jose Negrao – An overview of the Land Market in Mozambique
- Janet de Assulai – Land Market in urban areas

- Victor Muchanga – The land market in Maputo and Matola cities: problems and solutions for urban planning
- Alexandre Baia – A contribution to the Land Market analysis of Mozambique
- Cesar Tique – Rural Land Market in Mozambique: its impact on land conflicts
- Aristedes Baloi – Some aspects of Land Title Market and Rural Economic Development in Mozambique
- Dr Afonso Norman – Evolucao da Legislacao Fundiaria em Angola.

These papers will soon be available on the SARPN website in both English and Portuguese.

Great interest was evident in the workshop and discussion, particularly the presence of the Angolan delegation. National television interviewed key speakers, indicating that the workshop made an impact on the current debates around land and poverty. This was despite an evident confusion in the opening session as to the legality of selling land *per se* or the infrastructure built upon it. Nonetheless, the workshop served to expose areas of crucial importance for the ongoing debate particularly as the issue of privatisation has raised some vigorous protest. SARPN will continue to work with NET on this issue as a facility to deepen debate and to provide a platform for a wide variety of perspectives to be heard. A similar process might be undertaken in Angola, depending on demand for it.

For further details contact Dr Scott Drimie, SARPN Land Policy Analyst, at: sedrimie@hsrc.ac.za or Prof Doutor Arlindo Chilundo at: arlindo@zebra.uam.mz

WORKSHOP

Children, HIV and Poverty in Southern Africa

9-10 April 2002
 HSRC Conference Centre
 134 Pretorius Street
 Pretoria

Objectives of the workshop

This workshop examined the impact of HIV on children's lives in southern Africa. It had the prime objective of raising the issues of poverty, children and HIV to a much higher level of understanding and concomitant action amongst policy makers, governments, donors and civil society organisations within southern Africa. Discussion concentrated on how the rights of orphans and affected families could be secured, so that these most vulnerable of children could enjoy protection, food security and improved access to health and education. The workshop also considered the macro-economic impact of HIV as well as the increasing demands placed on communities for the care of orphans.

This workshop brought together government officials, policy makers, researchers, community development practitioners and a wide range of civil society organisations. It is hoped that the set of realistic recommendations that came out of the workshop will strengthen the links between people making macro-level decisions on behalf of children and those organisations and communities who supporting affected children on a daily basis.

The workshop was been organised jointly by Save the Children, the Southern African Poverty Network and the Child, Youth and Family Programme of the HSRC. These institutions share a

commitment to policy processes that will alleviate the plight of children. The workshop papers will soon be posted on the SARPN website.

Malawi Aids Database and Website

The National AIDS Commission (NAC) in Malawi with assistance from the Canadian International Development Agency (CIDA) and UNAIDS, has launched a web site at www.aidsmalawi.org. The Home Page offers Malawi's *National HIV/AIDS Strategic Framework: 2000-2004* and links to a Resources database and Who's Who on HIV/AIDS in Malawi. At the heart of the site is a database of agencies working in Malawi to combat HIV/AIDS, covering donors, national and international NGOs and government and private sector initiatives.

The site is relatively plain with the emphasis on low kilobytes to compensate for the bandwidth problems many African users experience. With plan on hand to improve coverage, the site already offer the only comprehensive picture of HIV/AIDS in Malawi.

For more information: www.aidsmalawi.org or e-mail dligomeka@aidsmalawi.org

Canadian Development Assistance and NEPAD

On 4-5 May the Canadian International Development Agency (CIDA) is hosting a meeting of 100 African representatives and 200 Canadian civil society representatives in Toronto to discuss the implications of NEPAD for Canadian development assistance.

SARPN Web Site

Since our recent circular announcing our revamped web site we have posted a number of articles dealing with, inter alia, the forthcoming World Summit on Sustainable Development, the recent Financing for Development Conference in Monterrey, Mexico and a collection of new articles dealing with poverty issues in the SADC region. The latest edition of the South African Labour Bulletin is also up, while a comprehensive report on Micro-finance in Southern Africa will soon be posted.

The web will also shortly contain the papers presented to our recent set of past conferences, including the imminent workshop on regional migration issues. The perspectives at the Southern African launch of the Oxfam "Make Trade Fair" document will also be published.,

Persons with an interest in energy, gender and poverty might be interested in our forthcoming conference in Namibia on this key WSSD theme. The web contains a registration form for interested persons.

SARPN would like to thank those organisations who sent documents to us for posting and we would like to re-affirm our offer to post material generated by other organisations in the SADC region with a clear poverty focus. Keep the material flowing in!

The website is also updated with our daily news flash. Regular visits to the site at www.sarpn.org.za will keep you up to date with the latest information on poverty related development issues in the SADC region.

Finally, readers across Southern Africa might like to take up an offer from the French Institute of South Africa for free copies of their new monograph **Bodies and Politics, Healing rituals in the Democratic South Africa**. The book contains a number of contributions on themes around traditional healing systems and indigenous medical practice. One contribution, by Suzanne Leclerc-Madlala, provides an account of the way traditional practice has responded to HIV/AIDS. The sheer numbers of these practitioners (more than 350,000) is suggestive of the role they could play in the fight against HIV. Unfortunately because of a lack of organisation and communication, and because of the way they have been treated in the past, traditional healers do not play the role that they should. This situation is untenable given the power and status that such healers have in their community. Copies may be ordered from: ifasrech@ifas.org.za. Its website can be consulted at <http://www.ifas.org.za>

The Southern African Regional Poverty Network is hosted by the Human Sciences Research Council (HSRC) in Pretoria, within its Integrated Rural and Regional research programme. SARPN is funded by DFID (SA).