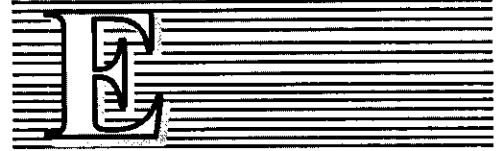




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**UNITED NATIONS
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ECONOMIC COMMISSION FOR AFRICA

Third meeting of the Committee on Human Development
and Civil Society

25-27 April 2005
Addis Ababa, Ethiopia

**Theme: "Participation and Partnerships for Improving Development and
Governance in Africa"**

ISSUES PAPER

Summary of issues to be covered

1. Introduction

① The third meeting of the Committee on Human Development and Civil Society (CHDCS) is organized under the theme “**Participation and Partnerships for Improving Development and Governance in Africa**”. The aim is to facilitate dialogue among policy makers, experts and practitioners on the issues and factors related to the strengthening of participation and partnerships in the development and governance process. The twin principles of participation and partnership offers opportunity to scale up the response to the Millennium Development Goals and for meeting the challenges of the African Peer Review Mechanism. The meeting will examine these implications particularly as they relate to addressing the challenges of a responsive budgeting to address basic planning issues and mobilizing capacity to meet water and sanitation needs. It will also consider practical steps that must be taken to reinforce a credible peer review mechanism based on participation and partnerships.

2. Context

While the driving force behind development continues to heavily reside with government, many African countries are now extending to fully include other development actors in the development and governance process. In recent years, the concept of participation and partnerships has become critical considerations in development. Governments are adopting participatory approaches in assessing needs and in implementing programmes and assessing policy impacts on development. This has been particularly relevant for the ongoing economic and social transition where the challenges of alleviating poverty, democratization as important instruments to enhance development provided compelling reasons for participation and partnership to collectively define and seek solutions that would lead to sustainable growth and development. It leads to openness and transparency in policy-making, the creation and sustenance of accountability, sense of the right to accountability, provides the basis on which citizens can build up social reciprocity.

Recent studies by ECA¹ indicate that a progressive sustainable development can only be achieved with a vibrant and active citizenry that engages with decision-making forums and processes through collective and individual means, irrespective of their gender, ethnicity or wealth. It is, therefore essential to develop and effective channel of accountability between public service providers and their clients. Options for implementing this include the decentralization of the provision of public services as well as encouraging greater choice and competition, though various means of incorporating the private sector, nongovernmental organizations and civil society into the field of public service provision. Good regulatory oversight is essential to ensure adequate levels of quality and service provision. In addition, the Consensus Statements emerging from the African Development Forums (ADF III and IV) are very explicit on the need to engage civil society, especially in the pursuit of Africa’s key development and governance agendas. They stressed the value of civil society participation both on the input side of large-scale initiatives, in consultations and forums at all levels, and also in the effective pursuit of goals such as achieving targets for representation, women

¹ ECA, *Striving for Good Governance in Africa*, 2004.

equity, promoting regional integration and international cooperation, and maintaining or restoring respect for human rights.²

There are several on-going actions including Poverty Reduction Strategy Paper, public/private partnerships, participatory national budgeting aimed at promoting participation and partnerships in development. These provide valuable lessons and experiences to draw from the various efforts to deepen participation and partnerships in the development and governance. In this context, the need to build on the knowledge and experiences by documenting best practices including the challenges, approaches, strategies and mechanisms are among the many challenges of reinforcing participation and partnerships in the development and governance processes in Africa.

3. Issues for discussion

National budgets and participation

Financing the development process is an important governance responsibility and the budgetary process is an instrument that if effectively used can contribute to improving fiscal performance and the efficiency with which public sector financial resources are managed. Achieving sustainable economic growth and substantial improvements in the living standards of a majority of the population remain to be a challenge in many African countries. The relationship between good governance and better economic and social management is increasingly being acknowledged.

The core of economic management includes the efficiency of the system of revenue generation and distribution, fiscal discipline, equity and fairness of the taxation system, transparent and accountable procurement system, the extent to which budgetary allocation is disaggregated by gender, independence, effectiveness and credibility of regulatory and oversight bodies, commitment to poverty reduction, and the commitment and effectiveness of an enabling environment for the development of the private sector.

In this respect, the budget is the single most important policy document of governments, where complex development challenges are expressed in real budgetary terms. The national budget reflects the fundamental values underlying national policy. It outlines the government's views of the socio-economic state of a country. It is a declaration of the government's fiscal, financial and economic objectives and reflects its social and economic priorities. A national budget should be a translation of an inclusive policy making process into implementable and time bound projects. This requires in particular strengthening of the government financial management practices, better allocation of resources and good governance. Transparency and openness to policy formulation and implementation is a key element of good governance. With this strong link between policy intentions and budget, the need to open the budget to public participation should be encouraged with the objective of ensuring greater accountability for the management of resources. Many countries are introducing changes to the traditional top-down budget process to bottom-up to make it more transparent and credible. What is also significant now is the linking of budgeting to a consultative process to get the input of the beneficiaries in the budget outcome.

² ADF III and IV, Addis Ababa, Ethiopia.

National budget forms a crucial component of macroeconomic policy framework. Traditionally, national budgets perform several central economic and social functions: they allocate resources, provide basic social services, ameliorate income and wealth disparities, stabilize prices, and generate economic growth and employment. In addition, national budgets reflect the vision of economic and social development of governments and more generally the values of a society. They also reflect the choices that governments have to make to realize their social and economic agenda. In this respect, ordinary citizens, civil society, community based organizations (CBOs) and nongovernmental organizations (NGOs), have a right to know and determine how public revenues are collected and spent. However, in many countries budgetary policy debates and the planning and delivery of social services occur within relative exclusivity, leaving the majority of ordinary citizens without a direct or sometimes even a representative voice. Participation in decisions regarding budget allocation, spending patterns, and public service delivery is thus a key entry point for civil society engagement in choosing public actions.

Today it is widely accepted that the full participation of all citizens, both men and women, in the policy-making and implementation is the best way to build and sustain democracies, reduce conflict and achieve human development. Indeed, people cooperate and follow the rules set down by the community only if they are part of them and the use of resources to be managed satisfies most of their very significantly felt needs.³ In this respect, greater transparency and accountability of budgetary processes are vital components of participation and distributive justice. Participatory budgeting processes reflect the idea that budgets should be motivated by the objectives of equity, participation and sustainability, not merely fiscal restraint, as is often the case. In addition, participatory processes also help raise the issues of sustainability of budgets and effective use of public resources. Transparency and accountability are important not only in terms of ensuring that resources are channeled into socially equitable ends, but they are also important for the ability of the government to raise revenues.

In a nutshell, a participatory approach to national budgeting based on an understanding that budgets are a reflection of the needs of society is the most appropriate. Participatory budgeting helps government to incorporate the real needs of citizens and decide on how to adjust policies and where to re-allocate resources.

The focus of the discussion will be on factors to consider in a budgetary process that ensures that the voice of stakeholders is heard. In this respect, the main issues to be addressed are:

- Factors that ensure effective participation of groups to effectively influence the national budgeting process.
- The kind of communication mechanisms that is most effective in promoting popular participation in the national budgeting process.
- The strategies and opportunities for civil society to participate in public policy formulation and implementation, for instance, decentralisation, national dialogue forums, local committee, etc.

³ Kanchan Chopra, Participatory Development: People Common Property Resources, Sage Publication, New Delhi, 1990.

- Guidelines for formulating a participatory budget.

Public-private partnership for service delivery: water and sanitation

Massive rural to urban migration in most African countries, coupled with rapid population growth, declining economies, contracting public sector expenditure, rising unemployment and impoverishment have resulted in a massive gap between available social services and what is needed. Both central and local governments are simply incapable of keeping up with rising demand for basic social services and infrastructure.

Issues of water and sanitation provision and rural development are featuring prominently in the poverty reduction and development strategies of many African countries. Despite this, the quality and quantity of supply of those services is still dismal in most sub-Saharan African countries (SSA). For instance, population access to safe drinking water in SSA is only 42 per cent compared to 68 per cent in East Asia and the Pacific or with Latin America and the Caribbean where it is estimated at 76 per cent.⁴ As a result, over the last two decades there has been a surge in government efforts to share responsibilities of the delivery of basic social services with the private sector. New partnerships are, therefore, emerging to increase improve accessibility and increase choices to the consumer and promote efficiency through private capital and expertise.

The performance of public sector in service delivery in Africa is generally recognized as poor in terms of its efficiency. The weakness of the state in terms of capacity and resources has brought to search for alternatives, particularly in last years when the challenge of population growth have imposed urgency to the need of acting efficiently to respond to the growing need of the poor. The private sector solutions for provision of services and infrastructure are increasingly becoming the response to states' lack of financial resources and capacity to meet the requirements that such capital-intensive investment demand.

Today through strategic partnerships with the public sector, the private sector has been providing infrastructure services to a greater extent in developing countries, not only in the transport, irrigation, and energy sectors, but also increasingly in the provision of social services, such as water supply, sanitation and health care. The search for private sectors solutions for the provision of infrastructure and services is gaining the momentum since public sector budgets cannot finance the necessary investment for, and maintenance of, these facilities for rapidly growing populations. Moreover, the management of the public sector enterprises has proved unsatisfactory and inefficient in many cases.

The challenging has been the creation of an enabling environment. For instance, it has been proven that the supply of safe drinking water reduces immensely the risk of diseases and malnutrition (UNICEF, USAID, 2001). Besides, if left to informal sellers, the water is often of questionable hygienic quality and the poor generally pay an exorbitant price for it: 30 to 50 times is sometimes charged⁵. Appropriately structured delivery systems in rural areas are needed not only to raise water quality but in particular

⁴ UNDP, Human Development Report, 2003

⁵ W. Bichmann *Private sector providers even for the poor? Agriculture and Rural Development*, 1/04.

because of the high opportunity cost of fetching water, which in most cases accounts for a considerable part of women's labour and work time.

6 In sub-Saharan Africa the private sector is playing an increasingly important role in the water supply and sanitation sector within the framework of Public-Private Partnerships (PPPs). For rural water supply, rural well committees and user groups, are now formed during the planning phase. They regulate the maintenance of the and care of the wells and the areas around the tapping points and ensure the levying of water charges. In addition to price regulation, which is intended to lead to a tariff structure geared to the needs of the poor, the provision of water supply has to take into account aspects of health care and the management of the often scarce groundwater resources: these are aspects that cannot be left to the private sector.

The discussion will focus on several aspects of the partnerships, specifically on some familiar proposals about the possible role of civil society in enhancing states' performance. In this respect, the group may consider issues related to:

- The regulatory and policy framework to create an enabling environment for successful partnerships for the provision of services, particularly water in rural areas and sanitation.
- Options of partnerships, criteria for the effective evaluation of successes and failures of PPPs.
- Policy recommendations on how to make partnerships successful and satisfactory for both sides.

Strategies for promoting effective stakeholder participation in the African Peer Review Mechanism

The Commission of the African Union (AU) recognizes CSOs as key partners in governance and development and emphasizes the strengthening of its linkages with all sectors of civil society, to improve citizens' participation in development, including governance. In addition, the African Peer Review Mechanisms (APRM) process is designed to be open and participatory.

Through a participatory process, the APRM is to engage key stakeholders to facilitate exchange of information and build a national dialogue platform on good governance and all socio-economic development programmes, thereby increasing transparency of the decision-making process and building trust in the pursuit of national development goals. In addition, one of the responsibilities of and recommended best practices for countries to prepare for and participate in the APRM emphasizes the need to "promote full participation of relevant stakeholders in the development as well as in the implementation of program of action."

The meeting will consider the following issues:

- Strategies and mechanisms for effective coordination of key stakeholders and partners participation in the APRM process – what has been the best practices from those countries that have embarked upon the process.

- Opportunities for stakeholders' participation in the drawing up of the National Plan of Action, which is a major outcome of the APRM process.
- Strategies for building, widening and deepening the support base for the APRM process, especially in a highly contested polity. This includes dispelling the notion that peer review is only among African governments; on the contrary, the peer review process should encompass the entire body politic.

Organizational matters

The Economic Commission for Africa (ECA), within the context of reform of its intergovernmental machinery, created the Committee on Human Development and Civil Society (CHDCS) by resolution 826(XXXII) of 8 May 1997. The Committee is both a technical and a legislative organ. Its members are African experts drawn from governments, private sector and civil society groups and it provides a forum for deepening policy dialogue and interface among the three sectors.

The mandate of the Committee is "to help strengthen civil society and human development. It enables ECA to draw on opinions of experts in the public and private sectors and civil society in its operations. The Committee conducts development and follow-up activities pertaining to global and regional action programmes, such as the Copenhagen Declaration and Programme of Action of the World Summit for Social Development and the African Charter for Popular Participation in Development and Transformation. It reviews major trends and issues of regional interest regarding human development and the society. The Committee meets biennially".

As envisaged in the Committee's Constitution, "each member State of ECA shall establish a national Committee on Human Development and civil activities". So far, this has not been done. The Committee will therefore look at mechanisms for each member State to set up a national Committee and operational modalities. It will also review DPMD's Programme Budget for the Biennium 2006-2007.