



**Economic Commission for Africa**

The Second Annual Meeting  
of the African Learning Group on the  
Poverty Reduction Strategy Papers (PRSPs)

*18-19 November 2002*  
*Brussels, Belgium*

# Summary Report



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# Acronyms

ACBF	African Capacity Building Foundation
AfDB	African Development Bank
AERC	Africa Economic Research Consortium
CG	Consultative Group
ECA	Economic Commission for Africa
ESAMI	East Africa Management Institute
EU	European Union
HIPC	Highly Indebted Poor Countries
ICT	Information and Communication Technology
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
IT	Information Technology
LG	Learning Group
MTEF	Medium-Term Expenditure Framework
NGOs	Non-Governmental Organizations
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OSSREA	Organization for Social Science Research in Eastern and Southern Africa
PRSP-LG	African Learning Group on the Poverty Reduction Strategy Papers
PRS	Poverty reduction strategy
PRSP	Poverty Reduction Strategy Paper
PRT	Policy Relevance Test
SPA	Strategic Partnership with Africa
SWAP	Sector Wide Approach
TAS	Tanzania Development Strategy
UK-DFID	United Kingdom- Department for International Development
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
WARF	West African Rural Foundation

# Executive Summary

This report summarizes the main outcomes of the Second Meeting of the African Learning Group on the Poverty Reduction Strategy Papers (PRSP-LG) and synthesizes the major conclusions of the 10 background country studies prepared for that meeting. In many ways, this report echoes the main findings of the first meeting of the Learning Group (LG) thus underscoring their importance for the success of the PRSP process in Africa.

The PRSP-LG is an initiative of the Economic Commission for Africa (ECA). Its primary purpose is to promote and enhance African ownership of the poverty reduction strategies and to facilitate the articulation of an African voice on the PRSP process. The LG provides a forum for the examination of critical issues and challenges that African countries encounter as they prepare their PRSPs, share best practices, formulate recommendations on action to foster mutual accountability for policy outcomes and mitigate constraints such as the unpredictability of aid flows. Furthermore, the LG provides an opportunity for an early identification of implementation issues.

Like the first LG meeting, the second considered five clusters of issues important for the process - *content and comprehensiveness of growth strategies; costing, budgeting and financial management; institutionalization of participation; national capacity needs; and harmonization of donor policies* – arrived at a number of conclusions and recommendations for carrying the PRSP forward.

## A. General Conclusions

- Participants generally agreed that the PRSP is a useful framework for addressing poverty. It enables governments to clarify their approach to poverty reduction and assign tasks. In some countries, it is beginning to serve as a coordinating device for government policies and programmes, facilitating coherence across government departments and agencies. In addition, the PRSP process has expanded the political space and the opportunity for social dialogue on development policy as it has invited a broad spectrum of social actors to participate in the formulation, implementation and monitoring of policies and programmes.
- While recognizing that these are still early days to assess the effectiveness of the PRSP in transforming government systems and procedures and reducing poverty, participants agreed that the quality and depth of PRSPs prepared by African countries have significantly improved. However, even the most viable PRSPs remain broad strategic statements that need to be operationalized. In several countries, policy commitments are yet to find expression in concrete annual goals against which progress can be measured.
- Tensions exist between the imperative of growth and the emphasis on increasing sector expenditures to enhance the access of the poor to basic social services such as housing, nutrition and education. Furthermore, the meeting expressed concern that there was a risk that

countries could fall into the “social sector trap” where expenditures are concentrated on the social sector with little left for other sectors.

- Although, a limited number of countries (Rwanda, Ghana and Tanzania) report some progress in this area, by and large, donor progress in the alignment and harmonization of support in a manner that is consistent with the PRSP has been disappointingly slow. The poor link between official development assistance (ODA) disbursements and the recipient country’s budget cycles as well as the multiplicities of donor-specific aid procedures and reporting requirements stymie implementation and may undermine the principle of national ownership. A number of donors also remain reluctant to provide direct budget support.
- Aid flows and their disbursement remain unpredictable, undermining national efforts to improve the efficiency of public expenditure and limiting the ability of governments to plan and sequence poverty reduction expenditures effectively. This is an especially serious problem in countries dependent on ODA for more than 50 per cent of their budget.
- There is an urgent need to begin to address post PRSP or implementation of issues fully.

## B. Specific Points

- ***The comprehensiveness of growth strategies:*** The meeting agreed that growth is necessary but not sufficient for poverty reduction. To have a demonstrable impact on poverty, growth has to be pro-poor. Growth strategies, no matter how comprehensively implemented, are unlikely to reduce poverty if they only focus on per capita income growth. Deliberate measures to reduce income inequality must be part of the policy package and growth must make it possible to improve access by the poor to basic social services such as housing, nutrition and health care. The meeting also agreed that new sources of growth need to be explored.
- ***Costing, budgeting and financial management:*** Inadequate costing remains a shortcoming of many African PRSPs. Evidence from the 10 case studies shows a high degree of variation in the way countries have approached the costing of their strategies. In some countries, the costing exercise was either superficial or incomplete. In those where the exercise was completed, there were large financing gaps. But the PRSPs are largely silent on how the financing gaps will be closed. There are also shortcomings in the public financial management architecture. A number of countries are yet to put in place a medium-term expenditure framework (MTEF) and where it exists, the link between MTEF, PRSP, the budget process and sector plans remains weak. Participants agreed that it was imperative for governments to ensure consistency. It was also agreed that donors need to support governments with capacity-building in the area of public financial management and provide direct budget support.
- ***Institutionalizing participation:*** The meeting noted that experience with institutionaliza-

tion of participation - defined as consisting of four components namely rights, stable structures, legitimacy and capacity, was fragmentary. There is some tension between the ad hoc nature of the participatory process for PRSP and the fledgling institutions of representative democracy in many African countries. In many cases, parliaments were not involved in the process. Participants underscored the importance of dealing with this tension as a prerequisite for institutionalizing the broad-based participation needed for legitimization of PRSP.

- ***National capacity needs:*** Participants acknowledged that inadequate capacity in important areas limited the ability of African countries to prepare meaningful and responsive PRSPs. It constrained almost all aspects of national development planning-policy analysis, design, coordination and implementation. Capacity gaps were having a detrimental impact on the realization of PRSP objectives. Participants further stressed that given the need to build new capacities in areas such as poverty monitoring and analysis, budgeting and costing, it was also crucial that African governments take urgent steps to enhance the use of existing capacities.
- ***Harmonization of donor policies:*** The Meeting noted that despite strong expressions of willingness to change, donors remained slow in altering their practices and procedures in a manner consistent with the PRSP. In the near term, prospects for the harmonization of donor policies, practices and procedures with poverty reduction strategies and systems of recipient governments were not very encouraging. Conditions for macroeconomic, structural as well as social policies had not decreased, donor reporting requirements were yet to be harmonized and ODA flows remained unpredictable.

# Background

The Africa Learning Group on the Poverty Reduction Strategy Papers (PRSP-LG) is an ECA initiative designed to promote and enhance African ownership of the poverty reduction strategies. The Learning Group (LG) provides an annual forum for Africans to share experiences on how the PRSP process is unfolding in their countries, identify best practices that can be replicated, flag institutional and capacity constraints, and recommend actions to remedy these constraints. It proposes actions to be taken by Africans and donors in order to tap the full potential of the PRSP process in transforming the partnership between African countries and their donor partners. The annual event is also designed to stimulate increased dialogue and partnership in the reform of recipient and donor aid practices for increased aid effectiveness and poverty reduction in Africa.

This report summarizes the main outcomes of the second meeting of the PRSP-LG which was hosted by the European Union in Brussels, Belgium, from 18 to 19 November 2002. It also draws on the major conclusions of the 10 country studies prepared as background for the meeting. The meeting brought together senior African policy makers, civil society representatives and experts from 12 African countries. Representatives of the African Development Bank (ADB), International Monetary Fund (IMF), European Union (EU), OECD/DAC, and the Secretariat of the Strategic Partnership for Africa (SPA) also took part in the meeting. The two-day dialogue was followed by a SPA Technical Group meeting from 20 to 21 November 2002 to which PRSP-LG participants were also invited. The summary of the meeting is available from the SPA Secretariat.

The second meeting of the LG was organized around five thematic sessions (see the agenda in Annex 1):

- Nature, comprehensiveness and scope of PRSP growth strategies:  
The purpose of this session was to examine the extent to which growth strategies ensured benefits to the poor and covered macroeconomic, social and structural policies;
- PRSP costing, financing and expenditure management in national budgets: This session investigated the degree to which PRSPs had been adequately costed, and the extent to which resources were now available to fund the proposed strategies;
- Participation:  
A key element offering the opportunity to enhance African ownership of national poverty reduction strategies and to reduce the gap between the needs of the poor population and the policies implemented under the PRSPs;
- National capacity needs:  
Both in terms of human resources, statistical data and budgeting methods to equip African countries with the necessary tools for effective PRSP formulation, implementation and monitoring, and
- Harmonization of donor practices.

The meeting was attended by senior policy makers from a number of African countries, African experts as well as experts from the African Development Bank (AfDB), European Union, International Monetary

Fund (IMF), OECD, UNCTAD, UNDP, UNICEF, UK-DFID, the World Bank and the Strategic Partnership with Africa (SPA) Secretariat. The complete list of participants is presented in Annex 2.

The meeting provided new insights into the scope and nature of the challenges African countries encounter as they prepare and implement national poverty reduction strategies. The following is the summary of the main outcomes of the meeting and the major findings from the country studies.

# Session I: Comprehensiveness of Growth Strategies

This session examined how PRSP growth strategies could be translated into broad-based poverty reduction goals. In addition, the session considered various points of views on what constituted pro-poor growth and the challenge of designing comprehensive pro-poor growth strategies. While participants agreed that rapid and broad-based economic growth was critical for poverty reduction, they expressed concern that in many African countries it had been well below the 7 percent rate required for reducing poverty by half by 2015. It seemed that growth projections in most PRSPs were extremely optimistic and these targets were unlikely to be met.

Participants also reiterated that to be pro-poor, growth had to be deliberately biased in favour of the poor and should place a greater welfare weight on the well being of the poor than the well being of the non-poor. Another feature of pro-poor growth was that it should be labour intensive and accompanied by policies that mitigate against inequalities and facilitate income and employment generation for the poor, particularly women. Hence, the effectiveness of poverty reduction strategies depends largely on the comprehensiveness of the growth strategies--including macroeconomic, social and structural policies.

The 10 case studies indicate that significant attempts have been made by African countries to develop comprehensive growth strategies to underpin the national poverty reduction efforts. There was a great deal of commonality in the choice of policy interventions to deepen and sustain growth among the countries reviewed. These include, among others:

- *Rural development and agricultural transformation:* Improving access to productive assets, especially land; providing greater access to markets and credit; increasing productivity; promoting gainful employment; and focusing on disadvantaged groups with respect to agricultural services.
- *Human development:* Enhancing access to primary health care, universal primary education, better nutrition and clean drinking water. With respect to health, policies are aimed at expansion and improvement in the coverage of primary health care through special programmes geared toward target groups such as women and children.
- *Economic infrastructure:* Improving the road network and the provision of electricity, communications, and water through enhanced financing of basic infrastructure facilities and development of new technologies to promote the availability of non-wage factor inputs at competitive cost.
- *Good governance:* Strengthening democracy and decentralization, improving governance and the quality and efficiency of state institutions, modernizing and reforming the central administrative apparatus streamlining bureaucratic procedures and eliminating “red tape”.
- *Private sector development:* Creating an environment within which the private sector can expand and become dynamic through the promotion of domestic and foreign investment. This will entail removing the constraints on private sector competitiveness such as the lack

- of infrastructure and commercial justice reform with respect to enforcing contracts.
- *Social capital to support vulnerable groups*: Strengthening the asset base and livelihood opportunities of poor people by enacting policies that directly facilitate their ability to address their basic needs. These include health, nutrition, education and skills, water supply and sanitation, roads, markets, land and other physical assets. These assets may be used directly or for social or economic exchange.

In addition, almost all the studies raised crosscutting issues such as gender, environment, and HIV/AIDS. However, these issues were not sufficiently mainstreamed into sector strategies.

The first observation made by country representatives was that, in all the 10 countries studied, the PRSP approach has focused more on stimulating growth and less on complementary policies to reduce structural inequality. Participants reiterated that no amount of growth could reduce poverty unless governments took appropriate actions to bring down the level of inequality in their respective countries. With the notable exception of Zambia's PRSP, none of the others explicitly recognized the urgency of reducing the high level of inequality that characterized income and asset distribution in their respective countries.

Country representatives also acknowledged that there were tensions between the central emphasis of stimulating growth on the one hand, and the efforts to increase access to basic social services on the other. Despite this unavoidable tension, participants insisted that growth stimulation and increased access to basic social rights have to be developed in parallel since they are complementary to a pro-poor growth strategy. A good illustration of this was the effort of the South African Government to tackle the skewed distribution of assets and income inherited from the apartheid period through deliberate interventions to reduce inequality while at the same time pursuing a strategy to accelerate the rate of economic growth. Established in 1997, the Poverty Relief Fund was designed to reduce poverty in the poorest areas of the country, by providing jobs, infrastructure and capacity development through the involvement of the communities. Similar attempts had been made in Rwanda and Tanzania.

A prepayment health scheme in Rwanda, introduced to pool risk at health facility catchments areas, resulted in significant improvements in access to health-care for members of the scheme. Providers receive capitation payments and bonuses if service provision and quality targets are met. This has demonstrably improved the availability of drugs at lower cost while increasing revenue mobilization. Similarly, in Tanzania, where the Government has introduced cost-sharing of pre-payment premiums for community health facility membership in the poorest districts, there have also been significant improvements in the quality of care and in drug supplies at public health centre level. The programme has since been expanded to nine other rural districts.

Many of the PRSPs reviewed for this meeting did not contain vulnerability assessments of different communities and of different groups (e.g. widows, the sick, the old, etc.). The experience of *Sierra Leone* stresses that there is a need to distinguish between several forms of poverty, such as structural poverty and conflict-induced poverty. The determinants are different in post-conflict and non-conflict countries and the remedies should be different.

Following a rich discussion, participants agreed that governments must avoid formulating pro-poor policies without grounding them in sound poverty diagnostics and without clearly specifying outcomes. It is important to think broadly about determinants and causes of poverty and how different combinations of reform levers must come into play in order to initiate the right balance of sectoral/spatial policies to tackle them. On the basis of specified diagnosis, priorities should be established with a specified timetable for implementation. This must be supported by a strong institutional base for monitoring and evaluating performance.

The clearest message sent by this session was that pro-poor policy required strong government political commitment to fight poverty at all levels, underpinned by strong community involvement. Specifically, policies must be deliberately targeted at the poorest areas and seek to redistribute resources to the bottom income quintile. In addition, a critical mass of project management skills in government departments and cooperation between national and provincial authorities and non-governmental actors responsible for delivery on the ground are crucial factors if pro-poor policies are to work.

The final and most important outcome of this session was the realization that new sources of growth need to be identified. In this regard, greater effort must be made towards exploring the relative impact of different sources of growth on employment creation and poverty reduction. Given the fact that the majority of the poor in Africa live in rural areas, it was emphasized that unless growth strategies addressed issues related to agricultural productivity and rural development, the benefits of higher growth may not touch the lives of the poor. There was consensus on the need to balance strategies for growth stimulation with the new emphasis on expanding access to basic social services, and to give equal attention to both sectoral policies and the macroeconomic framework. It was also agreed that the social sector was only one of the sectors one that make a difference to poverty reduction.

## Recommendations

- ***Improve data gathering and analysis:*** Pro-poor policies require a specific diagnosis and a clear idea of the desired outcomes. To better understand the links between policy and poverty, governments must invest heavily in data gathering and analysis. Countries with poor research and data collection infrastructure are unlikely to produce a sound macroeconomic policy framework and a realistic budget to support it. High quality data are also a prerequisite for further tightening of PRSP priorities with greater specification of concrete pro-poor programmes and activities and their sequencing over the PRSP time frame.
- ***Link PRSP targets to the MDGs:*** Monitoring targets and indicators need to be refined and, in particular reflect enhanced correlation with the MDGs. The latter receive only a passing reference in the PRSP.
- ***Ensure the integration of crosscutting issues:*** There should be better integration of cross-cutting issues, notably HIV/AIDS, gender, water and so on, in the various programmes.

- ***Greater attention to social safety nets:*** While the importance of growth for poverty reduction is widely recognized, greater attention must be given to social safety nets in the PRSPs, particularly in the early stages of the reform process.
- ***Greater emphasis on legal reform:*** In many PRSP countries, there is lingering private sector concern about corruption and enforceability of contracts. Efforts must be made to accelerate judicial sector reform (commercial law, labour legislations, banking regulations, etc.) in order to shore up business confidence in government's economic development strategies.

## Session II: Costing, budgeting and financial management

The session considered whether the PRSP approach has made a difference to budgetary processes, to what extent the MTEF is used as an input into the budget, challenges in costing the PRSP, and how donors could contribute to improving the process. Overall, participants agreed that the PRSP approach has improved budgetary practices. However, translating PRSP objectives into fully costed programme and policy actions has not been easy.

It was agreed that an important objective of the PRSP was to direct resources to priority areas that had a significant impact on poverty. This objective thus assigned an important role to the budget in effort to reduce poverty. Government was expected to ensure that the PRSPs were duly integrated into their budgets and were fully costed. Budgets also had to consider the likely inter-temporal tradeoffs of the current emphasis on achieving quick results by redirecting public expenditure to social sectors and rural infrastructure for sustained poverty reduction over the long-term. This, the participants agreed, was a break with past practices. Needless to say, the effectiveness of the PRSP as a planning tool was undermined by critical capacity constraints in the area of costing. Results from the 10-country study showed a wide array of experiences. Although, governments were initially inclined to cost their programmes in order to access HIPC funds, a number of studies indicated that governments now accept costing as a necessary component for making the poverty reduction objectives consistent with the budget.

The extent to which the objectives laid out in the PRSPs could be met depended largely on the sustainable and long-term availability of resources. In the countries reviewed, the relation between the priorities identified in the PRSPs and the projected resource envelope was rather tenuous. The financing gap was wide and attempts to balance PRSP priorities with the budget envelop were limited.

The message that come from the country studies was that African governments were struggling with the problem of translating PRSPs into fully costed programmes and policy actions. Where it had been attempted, the quality varied from sector to sector. It proved difficult to link the PRSP institutionally with the annual budget cycle and the MTEF, and complicated the pace and quality of programme implementation. This implied that achieving the PRSP targets would take longer than was initially assumed.

There were notable exceptions, in that as Malawi, Ethiopia, Zambia, Ghana and Rwanda -had attempted to cost their programmes although the quality varied from country to country, and from sector to sector. Of the 10 countries reviewed, only Rwanda and Zambia had done costing through an iterative process whereby projects were ranked and final cost derived. In the case of Rwanda, ministries were asked to provide unit costs and quantities for each input. The costing was scrutinized for technical accuracy and policy coherence in light of the prioritization criteria (see box A). In Sierra Leone, the costing exercise would be attempted during the preparatory phase of the PRSP.

The key constraints to costing were identified as serious lack of technical capacity in government minis-

tries, poor assimilation and internalization of costing guidelines and methodologies, inadequate consultations with stakeholders, and lack of political will to make hard spending decisions. The lack of up-to-date and reliable data made it even more difficult to quantify resource needs. While central governments were anxious to ensure that the PRSP and the MTEF were brought into alignment with each other, getting sector ministries and departments to cost objectives and to prioritize their expenditures within a resource constraint proved a huge and critical challenge. In the absence of proper unit costings, it was difficult to judge the extent to which the expenditure patterns on the ground had improved.

The costing exercise was further complicated by the lack of integration of stand-alone, donor-funded projects into the central government budget. Many participants expressed their frustration with donors who insist on “off-budget support” in the form of projects and this, they insisted, reduced accountability and transparency in the use of these resources, and hindered the effectiveness of the MTEF as a vehicle for resource allocation. It was deemed critically important that greater effort be made to enhance aid coordination so that alignment became a practical reality. However, not all donors were ready to align their assistance with the PRSPs.

Participants showed great interest in learning more about the Rwandan experiment and how to deal with problems related to the practice of extrabudgetary flows by donors and their integration into the PRSP. In Rwanda, the Government addressed the challenge of coordination starting with implementing what it called “the lead agency arrangement” whereby the Government assigned leading donors in respective sectors (usually to the sector where they were providing the largest support) to coordinate the integration of resources coming into that sector with the PRSPs. The practice normally worked in the context of SWAPS. Ghana provided the best example of SWAPS working well in the health sector.

Another critical factor compounding the problem of costing and budget prioritization was the debt sustainability ratio used to determine HIPC debt relief eligibility. Participants pointed out that the 150 per cent threshold, which was generally based on optimistic export projections, had failed to materialize in

### **Box A: Criteria for Prioritizing Expenditure in Rwanda**

To be prioritized, expenditures could:

- Contribute, directly or indirectly, to poverty reduction;
- Focus on activities that the private sector cannot be expected to undertake;
- Target activities that have high socio-economic impact;
- Target activities that communities have identified as important for them;
- Address well-planned activities for which realistic and modest unit costs have been identified supported by a well-developed expenditure proposal;
- Reduce future recurrent costs for non-wage funds (books, materials and teacher training) to schools, road maintenance and water supply;
- Support labour-intensive activities and create infrastructure for development; and
- Favour disadvantaged groups, including activities addressing gender or age-based inequities, protecting the rights of children, and focusing on activities that reduce inequalities.

many PRSP countries. The projected resources for financing the PRSPs were often unrealistic, creating contradictions between PRSP objectives and the actual budget.

The meeting also stressed the importance of monitoring and tracking public expenditure for the successful implementation of PRSP objectives. However, while all the PRSPs reviewed noted the importance of expenditure tracking, the proposed link was not adequately elucidated, particularly in Ethiopia, Rwanda, and Zambia, which lack a developed monitoring system. In countries that have preliminary monitoring systems, such as Malawi, the link was better specified but remained highly imperfect in practice. The Integrated Financial Management Integration System (IFMS) in Malawi, operating under the Treasury, needed to be brought under the control of the National Steering Committee.

It was also recognized that a large part of poor financial management and erratic budget discipline in many countries was attributable to poor morale in the public service. In order to tackle this problem, governments were urged to develop strategies to secure the services of accountants, procurement experts and auditors. This could only happen with comprehensive civil service reform and the restructuring of incentives comparable with the prevailing market rates.

The domestic resource mobilization assumptions were found to be weak, and the emergence of large resource gaps appeared to be the impetus for downward revisions in estimated financing needs. This was also true for Rwanda and Zambia, the two countries that had done the most to establish realistic cost estimates. The problem was unlikely to improve in the near future because of low tax bases, limited government administrative capacity for revenue collection and fragile growth foundations. Consequently, progress towards poverty reduction was unlikely to be rapid. The weak domestic resource bases had serious implications for enhancing the scope for donor support and new donor conditionality.

Workshop participants agreed that domestic resource mobilization required a frontal attack on corruption, improved tax assessment and collection, improved public procurement policies and procedures, reduced project costs, and prioritized programmes. These daunting tasks were very difficult to implement in the short term. In this respect, the PRSPs represented a process, not an end in themselves, and they generate learning experience. They were above all, a development exercise and not a fundraising exercise under the HIPC Initiative.

## Recommendations

- ***Strengthen capacity in costing and budgeting:*** With the introduction of the PRSP approach, countries have made great progress in linking budgeting with planning at the national level. The MTEF is a useful instrument and resources are projected from both domestic and donor sources. Nevertheless, costing the PRSP programmes and their presentation in a medium-term framework remains a major problem. Low wages and poor working conditions make it difficult to deal with capacity constraints in government institutions. Therefore, civil service reforms linked to transparent medium-term pay and employment strategies could be part of the solution. The second alternative is to focus capacity develop-

ment by donors in a few critical areas such as costing and budgeting, in a few critical bureaus and agencies. One approach could be to provide donor support for African governments to secure advisory services in the field of costing and budgeting from African-based institutions.

- ***Strengthen financial management systems:*** Establishing transparent budgeting and auditing systems, including the modernization of financial accounting systems is an indispensable part of viable economic management. Yet, the majority of countries examined suffer from weaknesses that hinder fiscal transparency and accountability. There is a huge gap between the scale of the problem and the institutional requirements for a more efficient, reliable and transparent system of budget management and administration. Greater efforts must be made to narrow this gap by strengthening capacity in financial control, simplifying procurement procedures, and by introducing an enhanced use of information technology. More critical is the urgent need to secure the services of capable accountants and auditors through an attractive incentive remuneration compatible with private sector interests.
- ***Strengthen capacity for monitoring and tracking expenditures:*** It is urgent to put in place a broad-based and participatory mechanism for expenditure tracking and monitoring outcomes. Enhanced efforts to strengthen the oversight functions of the accountability institutions, such as the office of the Auditor General, the Internal Revenue Service, the anti-corruption bureau and the relevant parliamentary budget committees will go a long way faster accountability and measuring outcomes. This will also require enhanced investment in data gathering and analysis to encourage greater transparency in the use of public expenditures.

## Session III: The challenge of institutionalizing participation

The meeting agreed that countrywide participation in PRSPs presented a paradigm shift from ineffective donor-led, conditionality-driven aid to a system that put the national government in the driver's seat. The emphasis on participation and ownership was expected to improve policy design and reduce the probability of non-implementation of policies and programmes. Participation, therefore, was the mechanism through which these stakeholders could effectively engage in PRSP formulation, implementation and monitoring.

The review of the 10-country study concluded that genuine participation of local stakeholders was a challenge and the process did not often work smoothly, particularly in countries where prior dialogue between stakeholders and government had not taken place. Despite growing experience and significant progress, there was still a long way to go for many countries to achieve broad-based and institutionalized participation.

It was evident that in the majority of countries surveyed, ordinary citizens and community groups, other than influential NGOs did not participate. In Malawi, for example, government officials, trade authorities and influential people at local levels dominated district-level meetings while elected representatives such as councillors and Members of Parliament were excluded from the process. Participation, while strong in the initial analysis phase, tapered off as the policy cycle progressed. In Ghana, the key problem with regard to the quality of consultation involved the limited time allowed for discussions and the late release of critical draft papers to civil society organizations. In Burkina Faso the involvement of sectoral ministries, decentralized administration, and civil society groups in the PRSP formulation process was somewhat rushed to secure debt relief benefits under the enhanced HIPC Initiative. The participatory process had favoured the position of the development partners and a limited number of central government officials who were closely involved in driving the PRS process.

On the other hand, Ethiopia, Rwanda, Kenya and Zambia made serious efforts to expand the scope for the participation of a wide spectrum of stakeholders. Paradoxically, most democratic participatory processes took place in Rwanda where participatory government structures were least entrenched. The Government solicited the views of ordinary people via the National Poverty Assessment study involving 1000 persons, a community action planning process (locally referred as 'ubudehe') where communities developed action plans to solve the problems identified, and a policy relevance test (PRT) in 38 of 100 districts where 10,000 people participated in focus groups. The PRT looked more specifically at existing policy and those proposed in the I-PRSP. Using stratified socio-economic focus group discussions, the policies were assessed for their relevance to individuals and to their communities on the basis of their effectiveness, inclusiveness, and level of participation. In Ethiopia, consultations took place in 171 districts. The district consultations were complemented with consultations at the provincial levels, which were then followed with consultations at the federal level.

One of the reasons for poor or declining participation in the poverty reduction strategy (PRS) process had to do with the weak capacity of parliaments and societal actors to engage constructively throughout the policy-making cycle. The absence of a strategy to disseminate information to all societal actors, including government departments and non-state actors, was a major impediment to eliciting views from the different stakeholders for inclusion in the PRSP. This implied that support for societal actors needed improvement.

The critical determining factor for broad-based consultation and joint decision-making was considered to be the depth and scope of government commitment to the participatory process itself. Participants re-emphasized that the participatory process within the PRSPs should support rather than challenge the democratic process. The group stressed that the support for participation of parliaments and societal actors had to be reinforced.

The key lessons drawn from the discussions were that the PRSP was a learning process and that working with diverse stakeholders was time-consuming and risky since it might not lead to expected results. This was particularly true in countries where prior dialogue between stakeholders and government had taken place. Differences in expectations between government and civil society had influenced the shaping and the quality of the participatory processes. Was the PRSP about information sharing and consultation? Or was it about joint decision-making involving government and other societal actors? The objectives of the PRS had to be clearly spelled out prior to the start of national consultations, in order to avoid misunderstandings between governments and various societal actors.

An additional lesson learnt in this session was that governments must move away from participation as an event to institutionalizing it across the policy process. This would entail institutionalizing participation in sector plans, the budget process, district PRSPs and MTEF, and in the implementation and monitoring of the PRS objectives.

Finally, participants pointed out that genuine participation required strengthened capacity in civil society organizations so that they could effectively influence the policy process. This would also require that governments release critical information ahead of local consultations so that the discussions between public officials and non-state actors could be constructive, with a consensus reached around the choices embodied in the PRSP.

## Recommendations

- ***Institutionalize participation across the policy process:*** It is necessary to move away from participation as an event to institutionalizing it as part and parcel of policy-making. This entails institutionalizing participation in sector plans, which are the foundation for the PRSP, in the budget process, in district PRSPs, and in the implementation and monitoring of PRSP objectives.

- ***Strengthen capacity of civil society organizations:*** The number of civil society institutions with adequate capacity in policy research, analysis, budgeting, lobbying and advocacy are few in many African countries. The capacity for participation needs to be strengthened through efforts to popular organizations and their awareness, in a wide spectrum of macroeconomic policy formulation, budgeting and monitoring of policy outcomes. Capacity-building entails leadership training for both men and women, building a locally based research capacity, disseminating information, and building networking and lobbying skills. It also involves improved communication flow between communities and different sets of NGOs, thus helping the poor to become a catalyst for change.
- ***Give prominent role to elected institutions:*** In many countries, parliaments have not been actively involved in the PRSP process. Despite their weaknesses, those seeking sustainable, institutionalized participation in Africa cannot afford to ignore the role of Parliaments. The cyclical policy-making process, like the preparation of the budget, offers significant opportunities for Parliaments to ensure accountability and transparency in decision-making and in the cost effectiveness of public expenditures. A number of donors have initiated support programmes to train Parliamentarians in economic policy and budget analysis to enable them scrutinize government actions. While this is a promising start, such support should also be extended to provincial and district administrators who are on the frontline of policy implementation. National service colleges and government-run public management training institutions could be called upon to undertake such training.
- ***Encourage South-South learning about participation:*** There is a wealth of experience in developing institutional participation in Asia and Latin America and untapped potential for South-South experience-sharing on this issue, among governments, Parliaments, and civil society groups.

## Session IV: National capacity needs

It was noted that enormous gaps existed in most African countries in terms of capacity to undertake poverty analysis, design and implement anti-poverty programmes, and monitor impact. Gaps also existed in the area of budget preparation and financial management. For PRSPs to be effective anti-poverty tools there was a need to strengthen capacity in these countries. This session focused on how efforts could be scaled up to establish better statistical systems for monitoring and evaluating progress in poverty reduction and to identify capacity needs in the technical areas for effective PRSP implementation.

Participants agreed that most African countries lacked regulatory, legal, technical, extractive, taxation and administrative capacities. This had led to weaknesses in policy design, coordination and implementation. Key specific skills gaps included:

- Macroeconomic policy analysis and management;
- Economic forecasting, and debt management;
- Public finance and accounting, budgeting and public finance management and accountability;
- Capacity for establishing comprehensive and coherent budgets and medium-term expenditure plans, technical capacity for auditing and accounting--the backbone of government accountability--also required greater emphasis;
- Human resource management; and
- Public administration and management, project cycle management, good governance, transparency and accountability.

The Learning Group stressed that in addition to the need for building new capacities in specialized areas such as results-based budgeting and costing, it was also crucial that African governments learn to make proper use of existing capacities. The institutionalized relationship established between the Ethiopian Government and the Economics Department at Addis Ababa University was given as an illustration of a best practice utilizing local capacity. Workshop participants specifically underlined the potential for tapping into the expertise of Africans in the Diaspora, although there was little agreement on how to realize this important objective. Furthermore, they agreed that greater emphasis should be given to building the infrastructure for information gathering, analytical skills, data analysis and establishing monitoring mechanisms, given the fact that a PRSP was a rolling three-year document that had to be revised regularly.

## Recommendations

- ***Improve capacity utilization and retention:*** Capacity utilization and creating new capacities must be a continuous process of human resource development. A critical starting point for effective human resource management is civil service reform. Research has shown that

there is a link between low capacity in government institutions and the prevailing low wages and poor working conditions in these institutions. Civil service reforms must therefore be linked to a budget process in which performance influences allocations and to a transparent medium-term employment strategy. Furthermore, greater efforts must be made to attract skilled Africans in the Diaspora through innovative strategies.

- ***Invest heavily in information technology (IT) infrastructure:*** Many aspects of the strategy to improve the efficiency and responsiveness of the public sector can be enhanced by significant investment in information and communication technology (ICT). In the majority of African countries, ICT for delivery of government and public services is limited. Public sector reform initiatives in the PRSP should articulate national ICT policies. While initial efforts should be directed at strengthening ICT applications for financial management and economic coordination, the long-term focus should be on enhancing information disclosure and exchange of ideas across government agencies, the private sector and civil society.
- ***Strengthen the capacity of the accountability institutions:*** Access to protection under the law and to legal enforcement is a major problem for the poor. Public sector reforms aimed at improving efficiency, responsiveness and accountability of public institutions require the strengthening of key accountability institutions, such as customs and excise departments, the anti-corruption bureau, immigration, internal revenue, and Parliamentary finance committees, in order to enable these organs to exercise their oversight functions properly. This effort will be aided by similar measures to strengthen the media and other civilian watchdog groups.
- ***Strengthen capacity in public financial management:*** Capacity development support should be directed at the government's own effort to improve public financial management and control, particularly at the district level. This is key to donor willingness to disburse funds through the budget system (auditing, procurement, assessment, and revenue collection, etc.).
- ***Improve capacity in economic coordination:*** In many African countries, economic policy formulation and execution responsibilities are distributed between a number of ministries, agencies and departments, raising a serious coordination problem. It is of utmost importance that government and development partners develop modalities for strengthening institutional and analytical capacity in the powerful ministries with reform responsibilities—Ministries of Finance, Planning and the Office of the President—focusing on fast-track measures to enhance their capacity for macroeconomic policy and programme formulation. It will also require significant investment in cost-effective computerization and information-sharing programmes to enable and manage electronic discussion and information sharing in these institutions.

# Session V: Harmonization of donor policy

This session examined the degree to which donors were supporting poverty reduction strategies through their country programmes and the extent to which their policies were being aligned to support PRSP. The evidence from the 10-country study indicated that progress in harmonization of donor policy with the PRSP objectives has been far from satisfactory. Country representatives expressed frustration in dealing with donors and identified a range of difficulties. They highlighted in particular:

- An excessive number of conditions accompanying aid programmes, which created a heavy burden on government for additional information;
- Donor preference for discrete project support as opposed to budget support, which entails inordinate amounts of reviews and reporting requirements;
- The preference of most donors to set up separate procedures rather than to work jointly, and the lack of transparency with regard to donor activities and plans;
- Variation of donor procedures for procurement and environmental assessments, among others;
- Unwillingness of donors to use government systems –at the level of financial procedures and performance monitoring;
- Excessive and uncoordinated missions which often result in multiple requests for information from different donors unrelated to the country’s own information and monitoring systems set up to monitor the implementation of the PRSP; and
- Insufficient aid predictability and disbursements to incorporate in financial planning.

Despite the problems mentioned above, a number of donors were shifting from project support to broader programmes support. There were three critical factors that would determine the extent to which donors were likely to proceed with budget support. These included: (a) the willingness and capacity of national governments to translate medium-term indicators, targets and policy commitments into annual goals against which progress could be measured; (b) the progress in deepening governance reforms and the extension of human rights norms; and (c) the establishment of transparent and reliable financial management systems that could satisfy the fiduciary concerns of donors.

In the 10-country study, only Rwanda had attempted to develop a national strategy to address the broader question of changing donor-recipient relations in the direction of greater ownership. A joint government and donor document “Guidelines for Productive Aid Coordination in Rwanda” was prepared, which proposed concrete long-term and short-term measures for effective coordination and support to implementation of the PRSP.

The Rwandan strategy was seen as echoing the one that had been in place in Tanzania since 2001. The Tanzanian framework for relating to development partners was contained in what came to be known as the “Tanzania Development Strategy (TAS)”. It sought to promote good governance, transparency, accountability, capacity-building and effectiveness of aid. The Government and its development partners

agreed on 18 points of behaviour, which were monitored through the Consultative Group (CG) process. In Malawi, a donor-coordination mechanism focusing on monitoring and evaluation is emerging. Many other African countries can learn a great deal from the Rwandan and Tanzanian experiences about the complex challenge of setting up a sound donor coordination modality without losing national ownership of the PRSP process. This involved a difficult balancing act since many PRSP countries were heavily dependent on donor funding and stood to lose future assistance if they pressed too hard on the issue.

In Burkina Faso, for example, the development partners had constituted themselves into a PRSP budget support group. The group was made up of the European Union (EU), the Netherlands, Belgium, Sweden, Denmark and Switzerland. In Ethiopia, a number of donors had already given budget support—Sweden, the World Bank, the United Kingdom, and the EU while others were considering moving to budget support, including Belgium, Ireland, the Netherlands and Norway.

Participants agreed that harmonization was a two-way street. For PRSPs to become credible, African governments had to translate their PRS into operational plans. This would require substantial changes in the way governments work and in systems and procedures. Of critical importance in this area, was the need to ensure the consistency of the PRSP with the MTEF and to translate medium-term indicators, targets and policy commitments into annual goals against which progress could be measured.

As for donors, significant changes were required in assistance strategies, particularly a willingness to align their procedures and support government-led strategies and processes. In the absence of such a shift in donor policy, there was a risk that budget support would end up reproducing the same counter-productive results.

## Recommendations

- ***Institute a common approach in aid delivery:*** In order to reduce or eliminate excessive and often contradictory donor-reporting requirements and help streamline conditionality, it is recommended that donors align their procedures and support behind the government's PRS process and budgetary cycle. This will help reduce the burden on governments while providing solid foundations for an effective policy dialogue between donors and recipient countries.
- ***Improve predictability of aid flows:*** As part of the annual PRS review process, donors should be prepared to offer indicative figures of their support for the coming financial year so that these pledges can be included when establishing the macroeconomic and fiscal framework. They should also indicate clearly specified disbursement schedules during the fiscal year so that planned expenditures on poverty reduction projects and programmes can be executed effectively and on a timely fashion. While predictability of aid flows is important, additional actions are necessary. For example, donors can contribute to poverty reduction efforts if they improve Africa's access to trade and investment opportunities.

- ***Alignment of disbursements with annual budget cycle:*** A number of countries are attempting to synchronize the annual review of the PRS with their financial calendar so that implementation of the PRS objectives can feed into sectoral allocations of the MTEF and to specific budgetary allocations and targets. For this exercise to become useful, donors must align their support behind the government's financial calendar so that these resources can be factored into the macroeconomic and fiscal framework.
- ***Streamline conditionality:*** The number of conditions attached to aid programmes needs to be reduced to encourage compliance and to improve access to resources. It is critical for donors to develop a common framework of conditionality, which should seek to reduce their number.
- ***Enhanced emphasis on capacity-building:*** It is important to support governments in their efforts to build capacity in the areas where the aid recipients themselves have identified gaps. One key area is support to governments in their efforts to improve public financial management controls and auditing. Improvements in this area will reduce the reluctance of donors to provide budget support since questions regarding fiduciary responsibility would not arise if sound systems of financial control are put in place. The second area that needs greater support from donors is 'costing' of programmes and projects. This is very critical for establishing realistic expenditure thresholds compatible with the PRSP objectives and for managing expectations.

## Session VI: The way forward

The PRSP process was seen as providing governments with the opportunity to articulate their approach towards poverty reduction, to improve coherence across government departments, to improve the effectiveness of service-delivery mechanisms and the way in which development assistance was delivered. There had been noticeable shifts in the way governments conceptualize and execute national poverty reduction strategies, and in the content of policy dialogue between donors and recipient governments. However, a lot more work remained to be done to ensure that the PRSP approach could become sustainable. Pursuant to this, participants requested ECA to consider taking the following steps:

- ***Invite more countries and societal actors to the LG annual event:*** Participants emphasized the need to deepen and expand the scope of experience sharing among African countries and societal actors. In particular, they urged ECA to increase substantially the number of countries, including non-HIPIC countries, participating in the meeting. They also suggested that other societal actors such as research centres, think tanks, Chambers of Commerce and Industry, trade union congresses, and others be invited to the annual meeting. This would allow for more in-depth discussion around thematic issues, perhaps using break-out sessions. It would also offer an opportunity for the creation of a shared ownership of the findings of the studies and outcomes of the meeting and enhance African participation and active engagement in the agenda of the Working Groups of the SPA.
- ***Enhance knowledge exchanges among country-PRSP focal points:*** Participants recognized the limited scope for PRSP-peer learning in Africa and concluded that the annual meetings of the PRSP-LG are not enough. They recommended that ECA should, in addition to the PRSP-LG, facilitate knowledge exchange, networking and peer learning through electronic medium. This would link country PRSP focal units in a year-long process of experiences and lessons exchange. African research centres could also be part of this network.
- ***Establish an ECA PRSP Outreach Initiative:*** Participants urged ECA to take the PRSP dialogue to the subregions. In this regard, they suggested that ECA's five subregional offices should become more engaged.
- ***Strengthen relations with private sector associations:*** Participants agreed that the private sector was very important for the continent's growth and development. They proposed that ECA should invite representatives of the African private sector to future meetings of the Learning Group.

# Annex I

## Programme of Work

The second Meeting of the African Learning Group on Poverty Reduction Strategies Papers (PRSP-LG) was held in Brussels, Belgium, November 18 – 19, 2002. The PRSP-LG is an initiative of the Economic Commission for Africa (ECA). Its aim is to provide African countries with a forum for the exchange of ideas, lessons learned, and other information on the PRSP process. It also aims to provide a forum for the articulation of an African voice on poverty reduction strategies (PRS). Through these activities, the Learning Group hopes to contribute to the design and implementation of appropriate anti-poverty policies and programmes in Africa.

### November 18, 2002

**9:00-9:30**

Registration

**Opening Remarks:** *Elene Makonnen, Principal Advisor, Cabinet Office of the Executive Secretary*

**9:30-11:00**

**Session I: Comprehensiveness of Growth Strategies underpinning the PRSPs**

**Chairperson:  
Rapporteur:**

*Elene Makonnen Principal Advisor, Cabinet Office of the Executive Secretary  
Jane Kiringai, KIPPRA and University of Nottingham*

Rapid and broad-based economic growth is critical for poverty reduction. Yet growth in many African countries has been well below the 7 per cent GDP growth rate required to reduce poverty by half by 2015. Growth strategies can succeed in reducing poverty if they are pro-poor and lead to rapid and sustained improvements in human capacities (health and education) and generate greater opportunities for income generation through access to markets. Hence, the effectiveness of poverty reduction strategies depends largely on the comprehensiveness of the growth strategies--pursued including macroeconomic, social and structural policies.

This session will examine the following issues:

- What does it mean for economic growth to be pro-poor?
- How should comprehensive and pro-poor growth strategies be designed?
- How should long-term growth strategies such as trade and industrial policy, private sector development, technology and innovation, manufacturing incubators be incorporated into PRSPs?

- How should sector plans in health, education and gender be better integrated into PRSPs?

**Presentations:**

- “The Missing Middle”---Getting from Growth to Poverty Targets. Patrick Asea, Director, Economic and Social Policy Division, ECA
- “Lessons for PRSPs from South Africa’s National Poverty Reduction Strategy” T. Holele, Deputy Director, Poverty Relief Programme, Department of Social Development, South Africa
- “How Pro-poor are the Growth Strategies: The Experience of Zambia” – James Mulungushi, Director of Planning, Ministry of Finance, Zambia

**11:00-11:30**

**Coffee Break**

**11:30-13:00**

**Session II: Costing, Budgeting and Public Financial Management Issues in PRSPs**

**Chairperson:**  
**Rapporteur:**

*Professor Sam Wangwe, Economic and Social Research Foundation, Tanzania*  
*Abebe Haile-Gabriel, Addis Ababa University*

An important objective of the PRSPs is to direct resources to priority areas that have a significant impact on poverty. This objective thus assigns an important role to the budget in efforts to reduce poverty. Governments are expected to ensure that the PRSPs are duly integrated into their budgets and fully costed. Budgets also have to consider the likely inter-temporal tradeoffs of the current emphasis on achieving quick results – by redirecting public expenditure to social sectors – for sustaining poverty reduction programmes over the longer term.

Specifically, the meeting will examine:

- To what extent are PRSPs objectives fully costed?
- How realistic are the costing scenarios underlying the PRSPs?
- What are the trade-offs between macroeconomic stability and higher public expenditures to meet PRSP goals?
- Whether and to what extent does the MTEF serve as an institutionalized vehicle for medium-term public expenditure planning?

**Presentations:**

- “Costing the PRSP: Lessons from Country Case-Studies” – *Kasirim Nwuke, Senior Economic Affairs Officer, ECA*
- “Costing the PRSP and Macroeconomic Stability in a Post-genocide Economy--The Rwanda experience” – *V. Karega, Director of Strategic Planning and Poverty Reduction Monitoring, Ministry of Finance*

- “Costing the PRSP: Lessons from Ghana” - *Professor G. Gyan-Baffour, Senior Technical Advisor, National Planning Commission, Ghana.*

**13:00-14:00**

**Lunch**

**Afternoon session:**

**14:00-15:30**

**Session III: The Challenge of Institutionalizing Participation**

**Chairperson:**

*Hon. M. Daramy, Minister, Ministry of Economic Development and Economic Planning, Sierra Leone.*

**Rapporteur:**

*Professor V. Seshamani, University of Zambia*

Countrywide participation in PRSPs presents a paradigm shift from ineffective donor-led conditionality-driven to a system that puts the recipient in the driver's seat. The emphasis on participation and ownership should improve policy design and reduce the probability of non-implementation of policies. Participation, therefore, is a mechanism through which these stakeholders effectively engage in the formulation, implementation, and monitoring of the PRSP.

This session will examine:

- Is country-wide partnership in development planning working in practice?
- To what extent are the concerns of the poor consistent (or at variance) with the policy components of PRSPs?
- To what extent has the quest for broad-based participation replaced or undermined the fledgling institutions of representative democracy?
- How best can participation be institutionalized in order to ensure that the variance between the aspirations of the poor and the policy content of the PRSP is minimized?

**Presentations:**

- “Reflecting the concerns of the poor in PRSPs –Lessons from Uganda,” *Patrick Asea, Economic Commission for Africa*
- Invited paper - “Institutionalizing Participation in the PRSPs”. *Walter Eberlei, University of Duisberg, Germany*
- “Broadening Participation: What Lessons from Ethiopia?”- *Getachew Adem, Government of the Federal Democratic Republic of Ethiopia*

**15:30-16:00**

**Coffee/Tea Break**

**16:00-17:00**

**Discussion**

## November 19 (Day 2)

09:00-10:30

### Session IV: National Capacity Needs

**Chairperson:**  
**Rapporteur:**

*Hakim Ben Hammouda, Director, ECA-Office, Central Africa*  
*Arsene Kouadi, CREA, Cote d'Ivoire*

Enormous gaps exist in most African countries in their capacity to undertake poverty analysis, design and implement anti-poverty programmes, and monitor their impacts. Gaps also exist in the area of budget preparation and financial management. If PRSPs are to be effective anti-poverty tools, there is a need to strengthen capacity in these countries. This session will thus consider the following issues:

- What are the key areas, based on country experiences, where capacity needs to be strengthened;
- What can countries themselves do to mitigate constraints?
- How can African think tanks and research centres contribute to improving capacity?

#### Presentations:

- “Capacity Needs in a Post-conflict Country: Ethiopia”- *Getachew Adem, Head, Economic Policy and Planning, Ministry of Finance and Economic Development, FDR Ethiopia*
- “Capacity Needs in a Post-Conflict Country: Rwanda” – *Salifu Sledge, Coordinator, Joint Programme Ecoliers du Monde, Rwanda*
- “Capacity Needs in Ghana”- *Kofi Adu, Director, Ghana Association of Private Voluntary Organizations*

10:30-11:00

### Coffee/Tea Break

11:00-13:00

### Session V: Harmonization of Donor Policies

**Chairperson:**  
**Rapporteur**

*Professor Sam Wangwe, Economic and Social Research Foundation, Tanzania*  
*Benedict Walker, ECA Economic Justice Network*

It has long been recognized that income levels in Africa are too low to generate the domestic resources needed for rapid growth-with-poverty reduction and that this gap can be filled by official financing especially in those countries which are so resource poor that they are unlikely to be the destination of private foreign capital. PRSPs now serve as a framework for donor assistance.

However, for aid to be effective, it must be aligned with and be supportive of domestic policies. In this session, we will examine:

- Overall donor support for the PRSP process, especially the degree to which donors are making their aid policies, practices and programmes consistent with country PRSPs;
- Whether aid is used as a conditionality to exert a major influence on domestic policy design;
- The quantity and composition of donor resources; and
- The cost to recipient countries of reporting on donor assistance.

The outcome of this session will be a set of recommendations on how best to increase the efficiency and effectiveness of donor resources.

**Presentations:**

- “Donor Harmonization: Lessons from Country Missions” – *by SPA Secretariat*
- “Donors and the PRSP in Senegal” – *N. C. Fall, Programme Director, West African Rural Foundation (WARF), Senegal*

**13:00-14:30**

**Lunch**

**14:00-16:00**

Session VI: Lessons learned and where we go from here

***Chairperson:***

*Elene Makonnen, Principal Advisor, Office of the Executive Secretary, ECA*

***Super Rapporteur:***

*Professor Fantu Cheru, American University*

This session will wrap up the meeting and summarize the major lessons drawn from the various country experiences. It will also examine the issues that will frame the next meeting of the Learning Group.

**16:00**

**Close**

# Annex II

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