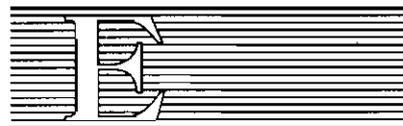




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**Critical Capacities for Effective
Socio-Economic Policy Analysis
and Management**



EXECUTIVE SUMMARY

The management of socio-economic change is a complex process that requires a multiplicity of skills and factor inputs. Policy analysis and formulation is one element, albeit a key element, of development management. The current emphasis placed on competent socio-economic policy analysis is driven by two considerations. First, policy analysis has been a neglected dimension of development management in Africa. Second, competent policy analysis is a requirement for accurate diagnosis of socio-economic problems and articulation of plausible policy options for dealing with identified problems -- an essential first step in development. Hence, a critical mass of policy analytic and management capacity is required for managing socio-economic development and transformation.

There are three distinct but closely related facets to building capacity for socio-economic policy analysis and management. These are production of the needed skills for policy analysis and management; generating policy analysis; and consumption or end-use of policy analysis. This categorisation is useful in that it helps to determine the type of interventions for building policy analytic capacity and also in ascertaining the institutional framework for developing each of the three facets of capacity on individual country basis. At the same time, a supporting information infrastructure is essential for effective and efficient use of policy analytic and management capacity.

The recognition that low supply of, and low and variable demand for, policy analysis are a constraint on Africa's economic development has spurred national actions but also several international initiatives for building policy analytic and management capacities in Africa. The African Capacity Building Initiative (ACBI) exemplifies the consortium-type initiative aimed at building of policy analytic and management capacity in Africa.

The agenda for action in the area of building and utilizing capacity in policy analysis and management recognizes three current realities. These are that:

(a) There is now a broad consensus about the importance of capacity building for policy analysis and management as vital ingredients for development management in Africa;

(b) National actions and international initiatives are being implemented to foster policy analytic and management capacity in Africa. The African Capacity Building Foundation (ACBF) has began an important effort in supporting capacity building for socio-economic policy analysis and management in some African countries;

(c) Each of the three facets of capacity building in policy analysis and management has to be developed in ways that best respond to the specific needs of individual African countries. Thus, the measures for strengthening policy analytic and management capacity presented in this paper would be adopted by countries, as may be relevant.

The measures proposed in this paper have taken these factors into consideration but also respond to the identified priorities in institutional capacity issues, human resources development and information infrastructure in support of policy analysis and development management.

I. INTRODUCTION

1. The management of socio-economic change is a complex process that requires a multiplicity of skills and factor inputs. From the standpoint of development management, the major components involved can be itemized as follows: economic policy decision-making processes and structures, and the interactions that help to shape them; policy research institutions and organizations; the interlinkages between economic research and policy decision-making; and, finally, development policy implementation modalities and structures. Policy analysis and formulation is, thus, one element, albeit a key element, of development management.

2. The current emphasis placed on competent socio-economic policy analysis is driven by two considerations. First, policy analysis has been a neglected dimension of development management in Africa. This is evidenced by the increasing intellectual role of foreign experts and the multilateral institutions such as the World Bank and the International Monetary Fund (IMF) on African economic issues and the undue influence exercised by the latter on the substance of national economic policy. Thus, improving policy analysis has been listed as one of 10 priorities in development management in Africa in the 1990s.¹ Second, competent policy analysis is a requirement for accurate diagnosis of socio-economic problems and articulation of plausible policy options for dealing with identified problems - an essential first step in development. Hence, a critical mass of policy analytic and management capacity is required for managing socio-economic development and transformation.

3. Given the nature, content, scope and complexity of the historic challenge facing the African countries, it is more than ever clear that the speed of economic recovery and transformation must *per force* depend on the effectiveness of indigenous capacity in mastering the strategy of socio-economic policy analysis and development management. Thus, building policy analytic capacity must proceed alongside with building management capacity, for development to be sustained. At the same time, it is important to foster links between policy analysis, on one hand, and management of implementation of development policy on the other. This process is referred to as policy interface, and various institutional mechanisms have been devised for promoting policy interface in various African countries.²

4. There are three distinct but closely related facets to building capacity for socio-economic policy analysis and management. These are production of the needed skills for policy analysis and management, generating policy analysis and consumption or end-use of policy analysis. The first two may be classified as supply side, while the last one, demand side of policy analysis and management. This categorization is useful in that it helps to determine the type of interventions for building policy analytical capacity and also in ascertaining the institutional framework for developing each of the three facets of capacity on an individual country basis.

5. In what follows, an attempt is made, first, to examine the current status of capacities for building for policy analysis and development management in Africa. This is followed by an examination of priorities for capacity building and for socio-economic policy analysis and development management in African countries, and the goal on which capacity building efforts should focus. Finally, a framework agenda is also outlined detailing the strategies and the modalities for effective action on the part of the African Governments and institutions, and their development partners.

II. CURRENT STATUS OF CAPACITIES FOR POLICY ANALYSIS AND DEVELOPMENT MANAGEMENT IN AFRICA

6. The recognition that low supply of, and low and variable demand for, policy analysis are a constraint on Africa's economic development has not only spurred national actions but also several international initiatives for building policy analytic and management capacities in Africa. The international initiatives have taken either the form of free-standing technical assistance by bilateral agencies and foundations, or loans from multilateral

development agencies, or specially designed actions by a consortium of agencies. The African Capacity Building Initiative (ACBI) exemplifies the consortium-type initiative aimed at addressing all three facets of the building of policy analytic and management capacity in Africa.³ At present, the ACBI is focusing its efforts on 10 African countries, namely Botswana, Burundi, Côte d'Ivoire, Ghana, Guinea, Nigeria, Senegal, the United Republic of Tanzania, Uganda and Zimbabwe. It is the case, however, that individual African countries have different levels of policy analytic and management capacity; as such, the nature and scope of interventions for building and sustaining this capacity in each individual country will differ.

7. What certainly appears common are the institutional frameworks for supply and demand of policy analytic and management capacities in Africa. The institutional frameworks are designed to respond to each component of the three facets, namely production of the policy analytic and management skills, generation of policy analysis, and use of policy analysis (consumption). Having the right mix of a supporting infrastructure is also essential for effective and efficient use of policy analytic and management capacity. Indeed, the question of developing an appropriate supporting information infrastructure appears to have been neglected or taken for granted in many efforts in capacity building for policy analysis and development management.

A. The framework of existing institutions for policy analysis and management

8. The four main institutional sources for generating policy analysis in Africa are government departments, private sector associations, regional/subregional institutions and non-governmental organizations. The reason why priority is given to building policy analytic and economic management capacity in government agencies is that governments perform certain critical functions that the other institutions are not entrusted with. To name but a few, only governments manage the macro-economy, coordinate national actions for development, collect and disburse taxes for public services, and promulgate laws to regulate business transactions.

9. The dominant roles in policy analysis and economic management in African countries are played by what may be called the "central guidance cluster agencies". These agencies, which design and implement development policies, coordinate macro-economic actions and allocate resources for development, also tend to be the main source of generating and using policy analysis. These agencies include Ministry of Finance, Central Bank, Ministry of Economic Planning or National Planning Commission and the President's office. The relative influence of any of these agencies in the process of economic management varies from country to country. It would appear, however, that the influence of planning ministries or commissions is on the decline in many African countries; mainly because pre-occupation with short-term economic crisis management has supplanted long-term economic planning. Even so, the need for long-term strategic planning is widely recognized and being fostered.⁴ Long-term strategic planning is an essential vehicle for integrating discrete short- and medium-term programmes into promoting long-term development objectives.

10. The prominent roles that the central guidance cluster agencies play in the formulation and implementation of national development explains why these agencies usually lay first claim to having in-house capacity for policy analysis. Usually, each of these central agencies has a department of research or macro-economic policy or policy planning. A recent study⁵ of four countries (Ghana, Uganda, the United Republic of Tanzania and Zambia) found that these arrangements exist to some degree in all of them. It is a finding that is broadly representative of the practice in many African countries. These departments are responsible for undertaking in-depth analyses of trends and issues, and presenting policy options to senior government officials and political leaders responsible for economic management. It should be emphasized that the need for and application of policy analytic and management skills are as essential for the central agencies as for the sectoral departments or agencies such as agriculture, trade, industry, education and health.

11. Though most African Governments have internal mechanisms for generating policy analysis, still these mechanisms often do not meet the needs of wide range of government operations. Hence, the need for government policy decision-makers to tap the reservoir of skills and expertise available in their nation's universities and research institutes and centres. This process of policy interface promotes full and effective use of available indigenous expertise. An ECA study had found that the most common modalities of policy interface in the six African countries⁶ studied were through consultancies and research assignments to experts from research institutes and universities, through membership of experts in government task forces, standing or ad hoc committees or their secondment to government departments for short periods.

12. Some notable or unique patterns of interactions were found in that study. In Nigeria, the National Institute of Policy and Strategic Studies (NIPSS) is a semi-autonomous Government-sponsored "think-tank" through which the Government benefits from the research, analysis and advice of the academics in the institute. In Senegal, the National Economic and Social Council brings together academics and representatives of government to deliberate and formulate national policy on various issues. In Ghana, the Civil Service Law mandates the establishment of Ministerial Advisory Boards that bring together top management of each ministry and carefully selected "outside" experts mostly academics from Universities and research institutes. This has enabled many University staff to participate in the government's policy development process.

13. Regional and subregional institutions/associations have also been important sources for both generating policy analysis and management training. Principal among these are the Institute for Economic Development and Planning (IDEP) in Dakar, Senegal; the Eastern and Southern African Management Institute (ESAMI) in Arusha, United Republic of Tanzania; the African Association for Public Administration and Management (AAPAM) in Nairobi, Kenya; the Council for the Development of Economic and Social Research in Africa (CODESRIA) in Dakar, Senegal; and the African Training and Research Centre in Administration for Development (CAFRAD) in Tangier, Morocco. An important new institution is the African Economic Research Consortium in Nairobi dedicated to supporting policy-oriented research in key areas in macro-economic policy, such as external debt and trade.

14. The private sector and non-governmental organizations are also important institutional sources of generating policy analysis and research in African countries. Typically, these efforts are centred around national economic societies, the national manufacturers' associations and the national chambers of commerce and Industry. In addition, there are semi-autonomous economic and social research centres, usually affiliated to universities or independent in other cases. Some examples are the Nigerian Institute for Social and Economic Research (NISER) in Ibadan, Nigeria; the Economic Research Bureau in the United Republic of Tanzania; the Institute of Development Studies in Nairobi; the Centre ivoirien de recherche économique et sociale (CIRES) in Abidjan; the Institute of Statistical, Social and Economic Research in Accra, Ghana; the Development Study and Research Centre in Khartoum, the Sudan; the Institute of National Planning in Cairo, Egypt; and the Institute of Development Research in Addis Ababa. Another growing source of generating independent policy analysis and research are the semi-autonomous institutions in various countries. The African Capacity Building Foundation has provided assistance for the establishment of the Centre for Policy Analysis in Ghana; the Economic Policy Research Centre, Uganda; and the Economic and Social Research Foundation in the United Republic of Tanzania. Privately owned policy research centres are yet another source of policy analysis and research in Africa. Two prominent examples are the African Centre for Development and Strategic Studies and the Centre for Applied Social and Economic Research in Nigeria.

B. Human resource development for policy analysis and management

15. Policy analysis and development management are dynamic and interactive processes requiring expertise of many disciplines. As such human resources development for policy analytic and management capacity should be sufficiently broad to respond to the vast needs of socio-economic development. However, there is a core of disciplines that are particularly relevant. These are economics, sociology, public administration, business administration, and political science. Indeed, for some of these disciplines, policy analysis is a part of the curriculum.⁷ Typically, the universities are the main suppliers of training in these disciplines in African countries. In some few cases, the economic and social research centres and management institutes are involved in training in these disciplines or conducting training in policy analysis for officials from government departments.

16. The national institutes of public administration (NIPAs) or management development institutes are important institutional sources for training in management, but also of generating policy analysis. Most of these institutes were established when the role of the State, indeed the public sector, was different from what it is now expected to play. A major challenge for these institutions, then, is to re-orient their curricula to respond to the current institutional and human resources needs of development management in Africa when the private sector and the markets are expected to play an increased role in development, while the State is expected to assume catalytic functions.

17. At present, there are two main challenges in producing a critical mass of these essential skills required for policy analysis and management. One key issue is that the national institutions that provide training in these disciplines are so ill-equipped that they are not able to graduate top quality students and in sufficient numbers at the Masters and Ph.D. levels, who can undertake competent policy analysis, research and management assignments. Secondly, as the conditions of service of university teachers, in particular the real wages have fallen sharply, many have left either for the private sector or for better paid assignments in foreign countries.

18. There is, of course, the additional problem that the relatively few students who graduate from these disciplines are easily induced into high-paying jobs in the private sector. This does not represent such a terrible loss of expertise, since this calibre of highly trained persons in the private sector can be accessed for advice in policy design or formulation by government. Since the private sector, itself is an important institutional source of independent policy analysis and research, there is merit for it to have a policy analytic and research capability.⁸

C. Infrastructure in support of policy analysis and management

19. Policy analysis and management requires an effective supporting information infrastructure. This generally happens most effectively if countries have adopted national information policies, which evidence their realization that information is a resource for development which requires proper management throughout the planning and management process, as well as timely collection of statistical and other information and the competent management of such data and information. At present, these conditions are not met in many African countries, however. The state of information resource management in Africa over the past two decades has been of considerable concern to African Governments, central statistical offices, various primary and secondary users of African statistics and other information multilateral and bilateral donor agencies.

20. For example, the brain-drain of statistical staff in the public sector has continued due to poor pay scales and poor career prospects. Training of statistical staff in the African region takes place at universities and specialized statistical training institutes. Within the framework of the Statistical Training Programme for Africa (STPA), a regional programme executed at ECA, a number of statisticians have been trained during the last 15

years of the programme. There are 16 centres participating in the programme. Eight centres outside Africa are also associated to the programme. With regard to information workers, the situation has been less brain-drain than insufficient training for staff in these areas, especially with regard to computerized methods in information management essential at this point in time. Most information staff working in the region were trained in traditional methods of librarianship, and a recent survey showed that very few opportunities exist for their in-service training and upgrading.

21. With regard to the production of statistics, the national statistical services (NSS) have continued to be at the centre of production and dissemination of socio-economic data required for policy analysis and development management in Africa. Other organizations such as the central bank have continued to compile socio-economic data. The methods of collecting data required for socio-economic policy analysis and development management in Africa have continued to be censuses, surveys and use of administrative records. Censuses in particular those of population, agriculture or industry have tended to be carried out once every 10 years in African countries. The majority of African countries have conducted one population census since attainment of their political independence, others have conducted two or three population censuses. With respect to agricultural and industrial censuses, these have not been conducted by countries as periodically as population censuses mainly due to funding problems and, at times, insufficient manpower.

22. The multiplicity of sources of statistical data in every African country means that issues of coordination of data producers have been significant. There has been, for many countries of the region, a total absence of formal mechanisms for coordination among data producers, despite the existence of coordination aspects in their Statistics Acts or Ordinances.

23. There are two aspects of coordination, namely coordination of activities within the same institution and coordination of activities between institutions. Attempts to coordinate data production within an institution have met with some success but institutional coordination has met with very little success. Some of the African countries have established producer-to-producer committees and user-to-producer committees as ways of coordinating data production. Attempts to coordinate data production under the umbrella of users and producers committees have met with little success. There is need to find mechanisms to foster institutional coordination and avoid unnecessary duplication of efforts in data collection and processing in the African region.

24. Since the advent of the ECA Pan-African Development Information System (PADIS) and at their own initiative, some 38 member States have established national development information networks for the coordination across sectors of development information. While these networks are at widely varying stages of development from country to country, in the most advanced they comprise electronic networks to link regional and sectoral information centres with national development information centres connected to international data and information networks. Out of the 38, some are still in the incipient stages, but commitment has been made at national level to work toward these goals. The location of the national coordinating mechanism varies between countries as well, but includes ministries of planning and development, science and technology commissions, national library services and national universities.

25. Many African countries have established forecasting and early warning systems covering specific areas. Through these systems, short-term forecasts of the economy have been made. The data produced has complemented that obtained through the traditional methods of censuses, surveys and administrative records. The infra-structural arrangements for the system generally require the composition of committees with representation from cooperating institutions which are the main actors in socio-economic policy analysis. Such committees have had the task of evaluating the quality of available data from the various services and the preparation of forecasts on the basis of available time-series data and other relevant information.

26. In the area of food security, forecasting and early warning systems to assist in the formulation of food policies and programmes exist in many African countries. Some countries have established "steering committees" for forecasting national accounts aggregates and other indicators of economic performance. Issues which have usually arisen with regard to these committees have been the membership and coordination mechanisms of such committees. Membership normally includes all actors involved in socio-economic policy analysis who should be allowed to play their role adequately. It should be mentioned that in many African countries coordination in relation to early warning systems appears to have functioned satisfactorily.

27. The advent of the microcomputer has revolutionized ways in which information is managed and statistical data handled. With respect to database development, these have been developed either on mainframe computers or microcomputers. Computerized databases can enable performance of four main functions: standardization; organization; analysis; and dissemination of information. Computer technology has assisted many African countries to disseminate their data and information through magnetic media such as diskette, magnetic tape, etc. Electronic communication of data and information has begun as well in several countries of the region. However, the following problems have been experienced by countries as a result of the introduction of the computer technology: inadequate number of microcomputers; lack of local computer maintenance facilities; inadequate numbers of computer personnel; and power failures which have frequently disrupted work in progress on the computers.

28. Many African countries have developed sectoral databases in the form of modules to suit specific assignments. They have however faced both conceptual, coordination and funding problems in the development of their databases. It should be recalled that the majority of databases have emerged through projects financed by external donors. These databases have tended to be developed in isolation using different methodologies. Issues of coordination and linkages in the development and/or establishment of databases have therefore been prominent. In some cases, documentation of the databases has not been done. The situation is worsened by the continued loss of computer science personnel from the public sector to the private sector and elsewhere.

29. Concerning the monitoring and evaluation of infrastructure capacity for socio-economic analysis and development management, it should be stated that in many African countries, an integrated and coordinated approach to the monitoring and evaluation of infrastructural capacity does not exist. Different aspects of the infrastructure are monitored separately or as a group, through established machinery existing in each country.

30. With respect to the organization structure and staffing of the NSS, in many African countries the establishment ministry or division of the civil service periodically conducts a review of the structure with the active involvement of the Central Bureau of Statistics or national statistical office of the country. The budgetary allocations, regular and extra budgetary, are considered each financial year by the Ministry of Finance. Through these mechanisms and organization structure, staffing and budgetary allocations are monitored and evaluated periodically. Other organizations involved in the production and analysis of socio-economic data outside the civil service have established their own internal monitoring and evaluation mechanisms.

31. Technical aspects of statistical production, database development, forecasting and coordination have been monitored by ministerial or departmental committees established to perform the specific task. At the national level, the establishment or existence of producer committees, user-producer committees, forecasting and early warning committees have been very useful in monitoring some of the infrastructural aspects. It should be stated that many of the committees established to monitor specific activities have tended not to meet regularly except in emergency situations where a disaster had occurred, loans were needed, etc. This has been one of the weaknesses of the monitoring and evaluation capacity in this area.

32. With respect to project management, ministries and/or departments have established monitoring and evaluation units. The work of the units has proved very useful in guiding the direction of the projects and in convincing donors on the success or failures of the projects.

33. At the regional and subregional levels, the monitoring and evaluation of statistical infrastructural capacity has been done through the provision of advisory services, the conducting of meetings in specific technical areas, and the convening of the biennial Joint Conference of African Planners, Statisticians and Demographers. In the statistical field, infrastructural capacity has been monitored by ECA through periodic surveys of statistical organization and staffing conducted in each African country. The results of the surveys have been discussed at the Joint Conference meetings. The ECA annual survey of economic and social conditions in Africa has been a very useful instrument for monitoring infrastructure capacity in this field.

34. In the area of information management in general, monitoring and evaluation of national, subregional and regional information infrastructure capacity has been the task of the Regional Technical Committee for PADIS which met in odd years from 1985 through 1993, and the Information Science Committee of the Joint Conference of African Statisticians, Planners and Demographers (which in 1994 requested this Conference to change its title to the Joint Conference of African Statisticians, Planners, Information and Population Scientists).

35. An assessment of national statistical capacities was undertaken by ECA in 32 African countries during 1988 and 1989 under a World Bank/ECA/UNDP project entitled "Data collection related to development programmes and aid flows in Africa". The assessment identified the following deficiencies in the national statistical capacities: poor management of statistical offices, inadequate funding, lack of timeliness in outputs delivery, poor quality of data produced and inability to respond quickly to new data needs.

36. This led to the adoption of a new framework for the overall statistical development in the African region under the umbrella of the "Addis Ababa Plan of Action for Statistical Development in Africa in the 1990s". A strategy was prepared for the implementation of the Plan of Action together with the establishment of a Coordinating Committee on African Statistical Development (CASD).

III. PRIORITIES FOR CAPACITY BUILDING AND UTILIZATION IN POLICY ANALYSIS AND MANAGEMENT IN AFRICA

37. From the foregoing analysis, it is clear that policy analysis and management capacity building efforts in Africa must focus on two broad goals for the 1990s: (a) strengthened relationship and improved interface between African economic researchers and policy-makers and (b) the establishment of effective mechanisms and strong processes for policy co-ordination and networking for the effective utilization of limited capacities. Given the resource constraints currently facing the continent, the expectation is that the resources mobilized for policy capacity building and utilization in the African countries at national, subregional and regional levels will be supplemented by external assistance from Africa's development partners.

38. As already pointed out, the current structures and processes of policy decision-making in most African countries are such that they draw very little if any upon African economic research. National policy development in these countries continue to be viewed as the preserve of government departments, bilateral donors and the multilateral financial institutions with little or no policy discussion and national debate of economic issues taking place in the broader domestic civil society. The formal institutional structures for policy interface between policy-makers and policy analysts, where they exist, have been rather fragile. Almost all the more than 200 institutions and centres for economic research and development management are beset with problems of inadequate funding, poor communications facilities, inadequate infrastructure and government bureaucratic

impediments. On the other hand, the heavy dependence on foreign financial support has meant for some of these institutions and centres extreme vulnerability to donor research agendas and priorities.

A. Institutional capacity issues

39. The priorities for development management have to respond to the needs of the new role of the State as it sheds its direct interventionist role and takes on the challenging role of catalyzer. The functions it is expected to concentrate on include a "leading role in building human resources, administrative, and physical infrastructure capacity, while the goods-producing and non-infrastructure service sectors are left to the flexibility and incentives of private enterprise and market discipline."⁹ This means that the State should be "market friendly" devoting much of its energy to facilitation of production rather than itself being the main producer of goods and services. This would entail the maintenance of a delicate balance between the public sector's responsibility for proper governance and facilitating development and a private sector that will play a more prominent role in relation to production and development. This implies that government and business should form a partnership for development.

40. In order to effectively assume its new role, the State needs to embark upon new policies and reform its apparatus in a manner that will facilitate the implementation of these policies. It is now acknowledged that effective policy reforms are largely a function of the appropriateness of the structures, systems and practices of implementing institutions. It is also recognized that, far beyond policy reforms during the adjustment period, continuing review and reform of policies would require the creation and sustenance of indigenous institutional capacity in both the public and private sectors. Africa's institutional capacity has to be sufficiently developed if Africa is to steer its own development path, to formulate development objectives, to elaborate sound plans and strategies and implement them, to cope with the demands of the current crisis and to meet the challenges of sustainable development. For economic recovery to succeed and development and transformation to take effect, appropriate policy reforms have to be buttressed by strong institutional capacities, professional expertise and infrastructure.

41. There are a number of institutional inadequacies that many African Governments have to cope with to better prepare for facing the developmental challenges of our times. Among the major institutional issues often mentioned as requiring immediate attention¹⁰ are:

(a) Elimination of constraints emanating from organizational and managerial deficiencies of sector institutions;

(b) The need to eliminate or streamline a variety of regulatory and procedural constraints to facilitate the implementation of policy reforms;

(c) The need for strengthening the policy analytic and planning functions within government agencies and enhancing their role in the policy process;

(d) Devising mechanisms for promoting effective dialogue with the private sector.

42. Overcoming these constraints constitutes an important task for socio-economic policy analysis and development management. Hence the agenda for action, would, of necessity, include interventions in the following priority areas.

1. Enhancing capacity in policy analysis and public policy making

43. Recent economic and political reform measures have underlined the need to strengthen skills for policy analysis, formulation, implementation and review. The capacity to undertake policy analysis has not been developed commensurately with the need for such analysis. For example, basic information and statistical data which are vital for policy analysis are often lacking. If African Governments are to guide and manage the public policy process effectively, they should first and foremost, enhance the capacity to analyse policies, plan strategies and monitor and evaluate performance, where it exists in a weak state or build it up where it does not.

2. Enhancing capacity for strategic planning

44. African countries have had a long experience with planning, though much of what had been planned got rarely implemented. Lately, African Governments have come under immense pressure to give up the command economy and open up space for market forces. Unfortunately, this has been misunderstood by some to mean that planning is no longer required. Abandoning the command economy does not imply relinquishing responsibility for planning. The State may no longer have responsibility for comprehensive planning and direction of economic activities, but both the current and future challenges would require the state to engage in effective planning for those sectors that fall under its purview as well as undertaking strategic planning to achieve national long-term development objectives. In the era of market-led growth and development, though, the realism and success of strategic plans will be increased if representatives of all sectors of the economy are involved in its design and implementation.

45. In the area of strategic management, Africa is faced with two challenges: the availability, development and appropriate utilization of needed human competencies and the enabling organizations that must, of necessity, permit people to perform productively at their best.¹¹

46. There is need to change Africa's current development management practices which mainly revolve around crisis management to a more proactive, long-term and strategic approach - an approach in which long-term goals and vision provide the background for short- and medium-term policies and programmes.¹² The realization of this is predicated on the building of appropriate planning capacities.

3. Enhancing institutional capacity of the public sector

47. Reorienting existing institutions to the requirements of their new development management responsibilities is another priority area that needs to be addressed as a matter of priority. According to one report "*the lack of adequate endogenous institutional machinery for development policy formulation and implementation has militated against the evolution of structures appropriate to the promotion and management of development in the specific environment of each country. One of the root causes of Africa's poor development record has been the failure of public institutions to manage development policy effectively.*"¹³

48. The liberalization policies undertaken with regard to market reforms would require the closure of redundant organizations and the establishment of new ones, where necessary, to deal with changing priorities. The hitherto heavy involvement of the State in the production sector has to be seriously reviewed in light of emerging realities and hence, for the State's disengagement from sectors of the economy that could be better handled within the private sector. Such a disengagement can free resources that can then be channelled to more important areas of development but which are unlikely to attract investment from the private sector. However this should not imply total relinquishment of responsibility in the area as there could still be certain strategic areas

where the State might want to continue to assume responsibility, areas which may differ from country to country.

49. As the pressure to privatize mounts, the State would require to build the capacity to privatize wisely in an effective way.¹⁴ It should also build the capacity to regulate the privatized enterprises as well as others already in the private sector.

50. The fragile nature of the private sector in many African countries, including lack of capital market structures for financial mobilization and efficient sale of shares imposes limits on the privatization drive of State-owned enterprises. Moreover, as pointed out above, the State is unlikely to hand over to the private sector certain enterprises that it considers strategic to the economy. This would argue for building and enhancing the capacity to operate more effectively the enterprises that will remain in the hands of the government. Avoiding past mistakes that were responsible for poor performance of public enterprises by setting up clear rules for the operation of public enterprises, restraining from undue political interference, endowing the enterprises with sufficient authority that will enable them to operate successfully in a competitive environment on a commercially viable basis and installing appropriate mechanism of accountability are among the measures that need to be taken to ensure results in this respect.

4. Enhancing the capacity for providing an enabling environment

51. As the State reduces its direct involvement in the economy and the market assumes increased responsibility, the provision of an enabling environment for the private and public activities that will operate in a competitive environment will be one of its major preoccupations. This would entail the dismantling of the disabling environment, disengagement from economic activities which compete unfairly with the private sector and instituting regulatory and procedural reforms that would be consistent with the facilitating role of the State and its role as guardian of competition and fair play. In this regard, governments should develop adequate capacities for disseminating to the public at large and to the business community in particular information about incentives, autonomy and legal safeguards available to them.

5. Enhancing the capacity for resource mobilization and financial management

52. Public and private expenditures and investments determine the level of activity in an economy. Financial resources and managerial expertise are key to fostering growth and development. To this extent, there is need to put in place effective mechanism for resource mobilization and utilization.

6. Enhancing institutional capacity for good governance

53. The economic crisis in Africa has, among other things, been attributed to poor governance. There is now the universal recognition that good governance is a key prerequisite for the realization of sustainable and equitable development. Embodied in the concept of good governance are promotion of the welfare of the people through policies that aim at achieving equitable and sustainable growth, providing safeguards for national and personal security, broad popular involvement in the formulation and implementation of government policies, etc. It has been observed that *"Africa's post-colonial experience suggests a strong reciprocal relationship between State decay and economic crisis. The degeneration of the will and or capacity of governmental organizations has aggravated or instigated economic problems; conversely, economic decline has impeded State capacity-building. Economic recovery will require the rebuilding and reorienting of governance."*¹⁵

54. African countries have for long been subjected to the top-down style of governance, often characterized by lack of transparency and accountability. This has led to the alienation of African Governments and their activities from the masses of the population. Lack of effective machinery for popular participation and the isolation of policy makers from the populace resulted in misconceptions about appropriate development strategies and lack of commitment to development by all concerned actors. The governance crisis is further aggravated by the economic crisis which has severely constrained the State's political capacity to mobilize popular support behind government programmes. Absence of good governance often leads to political instability disrupting developmental efforts. Hence, for economic development to succeed good governance should be entrenched.

7. Enhancing capacity of local institutions

55. Given the potential of decentralization in terms of fostering socio-economic development and responsiveness to popular will, measures aimed at enhancing commitment to devolution, promoting partnership between central government, sub-national units and NGOs as well as strengthening the leadership capacity of local institutions should be taken.

56. Priority should be given to strengthening the capacity of local institutions so that they become effective instruments of local development and articulators on needs, views and perspectives at the local level.

B. Priorities in human resources development

57. The capacities that need to be developed and enhanced entail more than organizational reforms. They would require a critical mass of well trained personnel to lead and manage the institutions. Therefore, parallel to the effort to develop the right institutions, an appropriate human resources development strategy has to be pursued. Such a strategy should build on the following elements:

(a) Deliberate measures are required to build the capacity where it does not exist or enhance it where it may be available. A recent study has revealed that in many of the universities there are no systematic training or education programmes tailor made to develop capacity in policy analysis. Several departments offer courses that have some bearing on policy but in none is the training seriously handled.¹⁶ Universities should be encouraged to launch training programmes aimed at developing skills in policy analysis. More importantly, African universities should design their curricula, such that students should be exposed to some courses in policy analysis or management or both. The skill has to be developed in a multi-disciplinary context and the relevant departments have to be encouraged to work together towards that end. In general the capacity for policy analysis should be developed at the macro and sectoral levels. One study suggests training programmes that aim at upgrading local skills in foreign trade analysis and other specialized areas such as forecasting prices, exports, imports and foreign exchange reserves.¹⁷ Adequate capacity for data and information gathering, analysis and processing should be developed.

Governments should take advantage and nurture the reservoir of knowledge and skills available locally to benefit national policy making by encouraging closer interface with local universities, training and research centres. The resources of universities and other relevant institutions, including private think-tanks, should be developed with a view to strengthening their role in all phases of the policy process;

(b) The capacity of the public service has diminished seriously over the years. Reforms already underway as well as the challenges of development ahead would require enhanced competence of the public service. This can be accomplished through an integrated approach to human resources development in the public service, covering both pre-service and in-service training and linking training with the specific needs of the

formulation, implementation and review of national development policies. Introduction of efficient management systems, uplifting the morale of the demoralized public servants through the provision of salaries and incentive packages calculated on the basis of realistic assessment of cost of living, recruitment of competent staff and upgrading through in-service training of the technical and managerial skills of the staff are among the measures to be undertaken in the quest to strengthen the African public services. Some priority should be given to the development of skills in negotiation and management of privatization strategies;

(c) The attempt to create an enabling environment for the proper functioning of the private sector requires the reorientation of the attitude of civil servants destined to deal with the private sector. Used to operating in a command economy where the private sector was seldom regarded as a partner in development, many civil servants are likely to continue their hostility towards the private sector. The switch to a supportive role and attitude may not be easily forthcoming, hence the need for deliberate action to instill a new attitude;

(d) Strengthening the resource mobilization capacity of African Governments would also require continuous skills upgrading of the staff through ongoing programmes of training and development of management and financial skills of public personnel in the fiscal departments in order to enable them to keep abreast with innovations in public financial management.

C. Infrastructure in support of policy analysis and development management

58. In view of the amount of work already done with regard to enhancing statistical capacities in the African region arising from the Addis Ababa Plan of Action for Statistical Development in Africa in the 1990s, the strategy prepared for its implementation together with the setting up of a Coordinating Committee on African Statistical Development (CASD), any priorities for infrastructure building with respect to the statistical field will have to take into account these developments.

59. Regarding data production, it should be recognized that these tend to be country-specific. The Lagos Plan of Action, the Final Act of Lagos and the Addis Ababa Plan of Action for Statistical Development have specified a list of major requirements which apply to most African countries. These include, in order of priority:

- (a) Prices and exchange rates;
- (b) Major productive activities;
- (c) Employment and earnings, economically active population;
- (d) Government revenue and expenditure;
- (e) External trade and balance of payments;
- (f) Money and banking, public sector borrowing, debt;
- (g) National accounts; and
- (h) Living standards (household consumption).

It should be recalled that the World Bank perspective study¹⁸ recommended four broad fields to be covered: social and demographic data, natural resources and environment, prices and production statistics and national accounts all of which are covered adequately in the list above.

60. Information management technology is vital to improved policy analysis and development management in Africa. Apart from facilitating storage and retrieval of information and data, it ensures efficient flow of information. However, in spite of the promise it holds in augmenting efficiency, it can hardly be said that it has made an important inroad into the African bureaucracies, as yet. Some promising beginnings have been made in some countries, but much more remains to be accomplished if the desired impact on efficiency is to be achieved.

61. Among the key issues in information resource technology to be considered are: the development of informatics policy as part of an overall information policy; the introduction or extension of information technology within the public administration system with appropriate budgetary provisions; development of appropriate training and software development and maintenance facilities; sensitizing policy makers to the multiple use of computers and winning their support for the popularization of their use; and upgrading of the status of information workers.

IV. FRAMEWORK FOR BUILDING AND UTILIZATION OF CAPACITY IN POLICY ANALYSIS AND MANAGEMENT

62. This agenda for action in the area of building and utilizing capacity in policy analysis and management recognizes three current realities. These are that:

(a) There is now a broad consensus about the importance of capacity building for policy analysis and management as vital ingredients for development management in Africa;

(b) National actions and international initiatives are being implemented to foster policy analytic and management capacity in Africa. The African Capacity Building Foundation has began an important effort in supporting capacity building for socio-economic policy analysis and management in some African countries. There is scope, however, on building upon and reinforcing the activities of ACBF as well as by national governments themselves and private sector efforts;

(c) Each of the three facets of capacity building in policy analysis and management has to be developed in ways that best respond to the specific needs of individual African countries. Thus, the measures for strengthening policy analytic and management capacity detailed below should be adopted by countries, tailored to their specific needs and priorities.

63. The measures proposed in this section have not only taken these factors into consideration but also respond to the identified priorities in institutional capacity issues, human resources development and infrastructural support for policy analysis and management.

A. Measures to strengthen institutional and human resource capacity for policy analysis and management

64. The following are among the major actions required for strengthening institutional and human resources capacity for policy analysis and development in Africa:

(a) Skills in policy analysis in particular and public policy making process in general (formulation, implementation and review) should be strengthened in government agencies. Given the time it takes to develop such skills, priority should first be accorded to agencies with primary responsibility for development. Policy analysis units should be established in these agencies, and existing resources at universities and similar research institutions should be used to strengthen these units as well as providing appropriate training.

Schools of economics, management, public administration, political science, statistics, etc., should be encouraged to develop policy oriented courses and produce skilled graduates.

Subregional and regional organizations like ESAMI, CAFRAD and IDEP should in particular be encouraged to develop programmes in policy analysis where senior officials from different African countries could be trained. This could serve as an interim measure until national training schools are in a position to develop fully fledged courses. Given the competing demands for the limited resources of these schools, it is necessary to look into the merits of having such courses offered at regional or subregional training centres in the light of considerations of possible cost-effectiveness;

(b) Profitability should be acknowledged as a major goal of the majority public enterprises. Therefore, the management in these enterprises should be provided with adequate skills and autonomy so that they can operate effectively along commercial lines. Guidelines for the orderly privatization of public enterprise that do not need to be retained in the public sector have to be developed and negotiating skills in handling privatization matters need to be developed as a matter of priority;

(c) Financial resources are critical for development, as such increase in the resource base is an important component of development management. To this effect, it is recommended to reform and improve efficiency of tax systems, provide incentives for savings and investments, instill confidence in the banking sector and encourage the growth of financial intermediaries and capital markets, reduce capital flight and encourage repatriation, facilitate flow of financial resources, etc.;

(d) An enabling environment for good governance should be nurtured by instituting transparency and accountability as the *modus operandi*. Institutions to enforce accountability should be strengthened through provision of adequate resources and training programmes aimed at upgrading the skills of personnel in a manner that adequately prepares them for the task;

(e) Considering the proximity of local institutions to the majority of the people and their potential for harnessing local talent and resources, local institutions should be endowed with adequate authority and resources to effectively discharge their development responsibilities at the local level.

B. Measures to strengthen infrastructural support for policy analysis and management

65. Each country will have to specify its priorities in areas of data collection, and information resource management. Issues of data quality (establishment of quality control techniques), data processing and dissemination will continue to be at the top of the agenda of each country. Another issue of importance is one of coordination of data production. Countries should as a matter of priority, establish or strengthen their producer-to-producer committees and user-to-producer committees which should be monitored by the ministry responsible for planning. Regarding legislation with respect to data collection, this should be revised in each country and include coordination as an important aspect of data collection. Regarding the staff themselves, measures should be taken in each country to improve the working conditions, pay scales and career prospects of staff engaged

in data processing to a level equivalent to other comparable fields. This would assist in reducing further the brain-drain of this category of technical skills.

66. In order to provide the essential information infrastructure for policy analysis and development in Africa, countries should commit themselves to the management of information as a resource for development, through the adoption of national information policies, including informatics, and the establishment of national centres for the coordination of information required for development planning and management.

67. With respect to the establishment of forecasting and early monitoring systems, while this system is well established in the area of food security in most African countries, there is need to strengthen these systems through the conduct of special surveys to collect data on early warning indicators and ensuring that the committee on forecasting and early warning includes all main actors, data processors and users. The establishment of these systems in other areas such as economic forecasting should be prioritized in all countries, for example, "tableau de bord" which is compiled in most of the French-speaking African countries for short-term economic forecasting.

68. In the area of database development, each country should establish a committee responsible for the coordination of acquisitions of computer hardware and software. An inventory of such acquisitions should be established to enable coordination in the development of databases at the country level. The committee should also be responsible for the coordination of database establishments in each country to avoid duplication of efforts and lack of documentation of databases that exist in many African countries. Issues of data security, confidentiality, integrity and ownership should form part of the agenda of the database committee.

69. The monitoring and evaluation mechanisms of infrastructure, either through producer-to-producer or producer-to-user committees which have been established in African countries, should be integrated and coordinated by the ministry responsible for planning. Such committee should meet regularly to ensure continuous tackling of the pressing issues. The monitoring and evaluation of the NSS structure and budgetary allocations should involve the ministry responsible for planning.

70. Infrastructure building at the national level could benefit from the activities at the sub-regional, regional and international levels. Through advisory services provided by organizations such as ECA, issues of data production (priority setting), formation of committees (user-producer, producer-producer, forecasting and early warning), database development, monitoring and evaluation mechanism can be tackled by assisting each country to articulate its needs and structure of those services.

71. Guidelines could be prepared in various areas such as database development, monitoring and evaluation, forecasting and early warning systems, coordination, etc. Since a number of technical guidelines already exist in the area of organization of NSS and data production, there is no need to develop new guidelines to cover these areas. The wide dissemination of the guidelines will be of crucial importance. It should be stated that guidelines include handbooks and manuals.

72. Coordination of technical cooperation is another area which could receive assistance at this level. The majority of donors participate or attend CASD meetings. This provides an opportunity to discuss coordination issues in the delivery of technical cooperation to the countries of the region.

73. Non-governmental organizations (NGOs) such as the African Statistical Association should include in their work programme areas in which they can assist African countries to enhance their statistical capacity, for socio-economic policy analysis and development management.

74. Attempts at strengthening the information technology infrastructure should be accompanied by the following measures:

- (a) Replacement of old and outdated equipment in the field of mini-and mainframe computers;
- (b) Elimination of the inconsistent, highly diverse equipment base brought in by different external donors;
- (c) Improvement of the missing or inadequate standardization and harmonization in data storage;
- (d) Creation of African data bases on the bases of user needs surveys;
- (e) Creation and improvement of text-oriented data processing;
- (f) Increasing the number and use of micro-computers in government offices as well as in the private and voluntary sectors;
- (g) Promotion of computer literacy within the public service and more generally within the educational system; and
- (h) Creation of micro-computers networks.

V. CONCLUSION

75. As recognition has grown about the importance of building competencies in policy analysis and development in Africa, so have national actions and international initiatives to promote this effort multiplied. This paper has reviewed many of those efforts and shed new insights on what additional dimensions need to be incorporated into current activities for building policy analytic and management capacities.

76. Current efforts have, for example, tended to focus mainly on strengthening institutions for generating and consuming policy analysis and development management as well as training to acquire the essential skills. This paper has highlighted a third dimension, namely developing a supporting infrastructure of a good data base and information system. There is, thus, scope for building on current efforts.

Notes

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