Citizen-Government Dialoguing: Evaluating Policies for Poverty Reduction
Citizen-Government Dialoguing: Evaluating Policies for Poverty Reduction
Proceedings of Workshop on Citizen-Government Dialoguing: Evaluating Policies for Poverty Reduction

28-30 June, 2005
Nairobi, Kenya
Group photo of participants
Note

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The designations “developed” and “developing” economies are intended for statistical convenience and do not necessarily imply a judgment about the stage reached by a particular county or area in the development process.
**ACRONYMS**

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<td>ADB</td>
<td>African Development Bank</td>
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<td>EPI</td>
<td>Expanded Programme on Immunization</td>
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<td>Government of Kenya</td>
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<td>Highly Indebted Poor Countries</td>
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<td>M&amp;E</td>
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<td>NARC</td>
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MISSION STATEMENT

The Department of Economic and Social Affairs of the United Nations Secretariat is a vital interface between global policies in the economic, social and environmental spheres and national action. The Department works in three main interlinked areas: (i) it compiles, generates and analyses a wide range of economic, social and environmental data and information on which States members of the United Nations draw to review common problems and to take stock of policy options; (ii) it facilitates the negotiations of member States in many intergovernmental bodies on joint courses of action to address ongoing or emerging global challenges; and (iii) it advises interested Governments on the ways and means of translating policy frameworks developed in United Nations conferences and summits into programmes at the country level and, through technical assistance, helps build national capacities.
Poverty alleviation and governance are two central pillars of the Millennium Declaration and the Millennium Development Goals, MDGs. They are also the thematic focus of this workshop organized by UN-DESA with the participation of six East and Southern African countries, in Nairobi, Kenya, from 28 to 30 June 2005. This is in line with UN-DESA’s overall mandate in providing a vital interface between global policies in the economic, social and environmental spheres and national action. In the main, the Department works in three interlinked areas: (i) It compiles, generates and analyses a wide range of economic, social and environmental data and information on which Member States of the United Nations draw to review common problems and to take stock of policy options; (ii) It facilitates the negotiations of Member States in many intergovernmental bodies on joint courses of action to address ongoing or emerging global challenges; and (iii) It advises interested Governments on the ways and means of translating policy frameworks developed in the United Nations conferences and summits into programmes at the country level, and through technical assistance, helps build national capacities.

Within UN-DESA, the Division for Public Administration and Development Management, DPADM, which is the immediate organizer of this event, is responsible for the intergovernmental processes that relate to governance, in the wider definition of the term that encompasses e-government and socioeconomic issues, public administration, and for technical cooperation in support of individual countries, both developing and in economic transition, and to regions. In the main, the Division does its work in the following ways. First, in support of requesting countries, second, together with or through its partnering centers, such as the UNCRD and UN TC, and third directly as part of its intergovernmental processes or e-TC. DPADM is the organizer and secretariat for the Committee of Experts on Public Administration, CEPA, whose deliberations and outputs increasingly deal with aspects of governance as these relate to the MDGs. On this occasion there was a three-way programmatic partnership among the Division, and in particular the Socio-economic Governance and Management Branch, SGMB, the UNCRD office in Nairobi, and the Government of Kenya. Additional partners to the process were the Office of the UN Resident Coordinator, Kenya, and the other five participating countries – Ethiopia, Namibia, Tanzania, Uganda, and Zimbabwe.

In principle, the innovative focus of the workshop was on the following:

- To draw lessons from Eastern and Southern African countries on the approaches to the evaluation of impact of public policies for poverty reduction;
- To support the development and to disseminate methodologies for pro-poor economic policies in the context of Sub-Saharan Africa;
- To sensitize the participants to the importance of Citizen – Government Dialogue for pro-poor policies; and
- Strengthen the capacities of civil society organizations to deal with government and vice versa.
UN-DESA, and in particular DPADM, is honoured to have been part of the workshop, whose findings and proceedings are published here and which are of immediate relevance to the current progress of the MDGS and to the critical role that public policies and civil society can play in their achievement.

Guido Bertucci
Director
Division for Public Administration and Development Management
United Nations Department of Economic and Social Affairs
PREFACE

This Report is based on the proceedings of the regional workshop on the theme of Citizen-Government Dialoguing and the Evaluation of Policies for Poverty Reduction held in Nairobi, Kenya, in June 2005. The event was organized by the United Nations Department of Economic and Social Affairs, Division of Public Administration and Development Management, UNDESA/DPADM, in partnership with the United Nations Centre for Regional Development, UNCRD Nairobi Office, and the Government of Kenya. Additional Partners were the United Nations Office of the Resident Representative and the other five participating countries, Ethiopia, Namibia, Tanzania, Uganda and Zimbabwe.

The genesis of this event was based on the recognition that Millennium Development Goals (MDGs) underpin a pro-poor orientation to public policy processes and initiatives and thus warrant strategies and techniques that on the one hand can contribute to pro-poor policies and on the other, monitoring of these policies was a results bias. United Nations’ monitoring of Millennium Development Performance painted a mixed and uneven picture. A variety of reasons have been cited for the inadequate performance, which differ from country to country. The impact of public policies on poverty reduction and the citizen-government partnership and interfaces are critical to the formulation and implementation of pro-poor policies. It is crucial to examine why some countries, though subjected to similar challenges, do better than others. One other determinant that seems to equally influence MDGs accomplishments is the country’s capacity to translate goals and policies into actions, and most importantly to monitor and evaluate the linkage between policies, implementation and impact, effectively and promptly. In other words capacity to evaluate the impact of public policies on poverty reduction is a key element in achieving progress towards MDG performance. Yet, another aspect that supports pro-poor development, as required by MDGs, are institutions and institutional processes that contribute to policies, in brief the capacity of the Government to mainstream poor in the policy processes - often achieved through Civil Society dialoguing. It is argued that if the decision-making framework of a government is open, inclusive and participatory, chances are that the policies will be more pro-poor and that programmes are also likely to be more transparent and accountable.

The participants, who were drawn primarily from academia, government and civil society, presented papers and case studies from their own countries and experience. Although, as the reader will find, the submissions and debate covered wide-ranging topics, essentially included the following:

• Strategies for poverty alleviation;
• Civil society participation and governance; and
• Monitoring and evaluation.
Within these three areas, the information and evidence presented is a critical contribution in dealing with the following questions:

• What is the impact of public policy on poverty reduction for a specific country, and from a regional perspective?
• Why are there differences in the impact of public policy, and forms of government and civil society engagement, and how one may account for these differences?
• What role has civil society and government engagement played in the process of poverty reduction, and the MDGs in general? and,
• What are the lessons we can draw and best practice examples that we can share with the UN system and its partners?

Discussion and evidence on these, and on other related concerns, is to be found in any one of the three sections of the Report; the Executive Summary, the Background Papers and the Country Case Studies, and the Annex. All contributors, whose names are noted in the Report and are too numerous to list here, are thanked for their vibrant participation at the workshop and for their written inputs. In particular, the contribution of Messrs Olympios Katsiaouni, Jean Le Nay and Sékou Soumahoro, UN-DESA, who were responsible, among other, for the initial concept note, organization of the workshop and supervision of consultants is greatly valued and acknowledged. Mr. Asfaw Kumssa, Coordinator of UNCRD Office Africa, partnered with the UN-DESA team from the very beginning and shared in all the organizational chores, programmatic and substantive. His professionalism and collegiality on the ground made the event substantively robust and organizationally without a hitch. Dr. Tabitha Kiriti, University of Kenya, provided invaluable consulting services to the workshop and acted as the main editor of the report. Mr. Mustafa Kemal, UNFPA Representative, and UN Resident Coordinator, a.i., graciously opened the workshop together with Mr. Antony Kilele, Director, Central Bureau of Statistics, Kenya, with infinite goodwill and appreciation of the significance of the event. Ms. Louise Gagne and Ms. Stella Simpas, UN-DESA in New York, and the office staff of UNCRD in Nairobi, worked hard to ensure that the financial, administrative and logistical matters were taken care efficiently and with a sense of pride. This is clearly evident from the accolades received, - which forms part of the Annex, as the participants’ response to the UN-DESA questionnaire. In all, I wish to express my gratitude to all those involved with this workshop, whatever their specific contribution, for the thoroughness of their professionalism, their sense of common purpose, pride and collegiality.

M. Adil Khan
Chief
Socio-economic Governance Management Branch, SGMB
Division for Public Administration and Development Management, DPADM
United Nations Department of Economic and Social Affairs, UN-DESA
EXECUTIVE SUMMARY

BACKGROUND

The United Nations monitoring of Millennium Development Goals (MDGs) performance paint a mixed picture. While performance in most of Asia has been impressive, Latin America and particularly Africa lagged behind. A variety of reasons have been cited for the poor performance in these countries, among these: low volume of aid, inadequate progress with trade and non-or slow action on debt cancellations. While there is considerable truth in these reasons, they alone do not provide a full explanation. For example, countries such as China and India, which have not been recipients of major aid, on a per capita basis, and also face similar constraints in terms of trade and debt cancellations as the rest of the developing world continue to make good progress in advancing MDGs. As in Asia, there are examples in Africa which demonstrate that notwithstanding the external adversities, there are factors that are internal to each and every country and that when these are harvested appropriately provide the right impetus for development, especially poverty reduction. In a number of cases, notably Uganda, both poverty and the incidence of HIV/AIDS have declined, and economic growth, a prime instrument of poverty reduction, has picked up. What these cases demonstrate is that MDG slippage is not purely a regional or Sub-Saharan phenomenon for even within the region there is a significant variability in the value and trends of the indicators.

Hence, what is crucial to examine here is why some countries, though subjected to very similar challenges, do better than the others. One particular determinant that seems to show up quite prominently is the country capacities in translating goals to policies, policies to actions, and those who monitor and evaluate the linkage between goals and policies, policies and implementation and implementation and impacts do so effectively and promptly. Another aspect that supports pro-poor development demands are institutions and institutional processes, that contribute to policies. It is argued that if the decision-making framework of a government is open, inclusive and participatory chances are that its policies will be more pro-poor and its programme and policy initiatives will gain improved transparency and accountability.

FOCUS OF THE WORKSHOP

It is against this backdrop that the Nairobi workshop focused on two areas: (1) country capacities in evaluating policies and programmes within the context of MDGs, and more specifically poverty reduction by examining the institutional, methodological and intellectual capacities and processes involving evaluation of policy-poverty linkage, and (2) the issue of development management, namely, the institutional arrangements and processes that drive policy planning and budgeting to actions.

It is increasingly accepted that growth alone, even where rapid, is not sufficient for poverty reduction. The quality of growth – including its gender, sector and rural versus urban dimension – and the role of public policy are pre-eminently important as to whether additional
income can be translated to poverty reduction, and to the achievement of the other seven
MDGs. There is, therefore, need within each government to develop capacities to evaluate
the policy-growth linkage, growth-poverty linkage, policy impact linkage etc. The workshop
attempted, in a practical way, to demonstrate importance of and approaches to evaluation of
these linkages. The workshop also highlighted the relevance of building capacities in these
thematic areas.

Further, issues of governance and civil society engagement are regarded as both an end goal
and objective, as well as seen as pivotal to MDG performance. Increasingly, the point is made
that not only growth must be accompanied by pro-poor policies and civil society engagement
to ensure a more egalitarian outcome, but rather that without the latter, that is without pro-
poor policies and deep involvement of civil society, growth itself is at risk. In purely statistical
terms, inequalities increase the required growth rates to lift people out of poverty, or to put it
more starkly; existing growth rates do not have the required poverty reduction impact because
of rising inequalities. Indeed, as national governments, and their international partners have
found, poverty reduction strategies, including Poverty Reduction Strategy Papers, are not
likely to have the desired effects without a genuine involvement of civil society both during
design and in implementation.

However, with regard to involvement of the civil societies in public policies, the key questions
that need to be asked are: are there legal, institutional and operational space given to the
civil societies? Do the civil societies possess the required capacity to participate in collegial
dialoguing? Is the government prepared to interact with the civil society on an equal basis?
Do they have the capacity to get involved in these exercises? These are some of the questions
that the workshop explored.

OBJECTIVES OF THE WORKSHOP

The principle objectives of the workshop were:

- To draw lessons from Eastern and Southern African countries on the approaches to
  the evaluation of impact of public policies on poverty reduction;
- To support the development and to disseminate methodologies for pro-poor economic
  policies in the context of Sub-Saharan Africa;
- To help formulate an action plan that would contribute to systematically evaluate
  the impact of public polices on poverty reduction;
- To sensitize the participants to the importance of Citizen Government Dialogue for
  pro-poor policies; and
- Strengthen the capacities of Civil Society Organizations to deal with government,
  and vice versa.

The workshop is expected to come up with the following:

- A methodology, and tools’ development on measuring the impact of public policies
  on MDGs and in particular poverty reduction;
- Country studies and contributions of the effect of interventions of public policies on
  MDGs and poverty reduction (including on the Poverty Reduction Strategy Papers
  (PRSPs)) for near and long terms. This would also take into account the impact of
  public policies on enhancing or constraining the dialogue between government and
civil society;
An Action programme on the integration of short to medium terms efforts at poverty reduction, as PRSPs, to longer-term objectives within the MDGs; and

The workshop report.

THE PROGRAMME

The workshop was opened with welcoming remarks by Dr. Asfaw Kumssa, Coordinator of the UNCRD Africa Office, and Mr. Mustafa Kemal, UNFPA Representative and opening statements by Mr. Sekou Semouhoro, Programme Manager, UN-DESA on behalf of Mr. Khan, Chief UN-DESA, followed by opening remarks by Mr. Anthony Kilele, Director, Central Bureau of Statistics, Ministry of National Planning – Government of Kenya. This was then followed by the Keynote address by Mr. Katsiaouni, Interregional advisor UN-DESA on behalf of Mr. Khan, and the concept paper by D. Kiriti, Senior lecturer, University of Nairobi.

The participants were drawn from six Sub-Saharan countries namely Kenya, Ethiopia, Namibia, Tanzania, Uganda and Zimbabwe who included academia, government and civil society and they presented high quality papers and case studies of their own countries. The Asian experience in economic growth and poverty alleviation was offered in the concept paper. Although debate was wide-ranging the participants confined themselves mainly to Sub-Saharan Africa (SSA) and concentrated on:

(a) Strategies for poverty alleviation
(b) Civil society participation and Governance
(c) Monitoring and Evaluation

The various papers, country case studies, plenary sessions that were held and group discussions elaborated on these themes in detail and offered recommendations for improvement.

STRATEGIES FOR POVERTY ALLEVIATION

The participants felt that despite the restoration of macroeconomic stability and slight progress in economic growth in some countries, SSA still faces daunting challenges as it seeks to accelerate growth, reduce poverty and attain the Millennium Development Goals (MDGs). The present growth rates are still below what is needed to achieve the MDGs. The major challenge is raising growth rates from the current 3.3% and sustaining them over the medium to long term and translating them into poverty reduction. For poverty reduction, broad-based economic growth is a requirement but not sufficient by itself. The quality and source of growth are important since wealth creation does not reduce poverty unless accompanied by policies of redistribution. The strategy used to achieve growth is also important and it was felt that the Poverty Reduction Strategy Papers (PRSPs) adopted by SSA countries are almost identical and they contain too many programs and strategies. It is therefore important to harmonise these programs and strategies to achieve poverty reduction and meet the MDGs.

There is no one particular strategy that can be a panacea for all the goals. There should be a balance between industrialization and agriculture. Although Asia especially China used agriculture successfully to fight poverty, the participants felt that SSA cannot mechanically draw on the success of Asia to Africa because the context differs. However, land reform and irrigation were highly recommended as strategies by the participants since most of the poor
people are mainly found in the rural areas and among female-headed households. These would lead to increased agricultural productivity if they were also accompanied by credit facilities for inputs. The maintenance of a balance between food crops and cash crops was also mentioned to maintain food sufficiency and food security.

Small and Micro-Enterprises (SMEs) were also emphasized as strategies for poverty reduction since they provide employment to majority of the poor people. It was pointed out that technical support, infrastructural facilities as well as credit should be given to help the operators of SMEs have a meaningful and decent source of income. Another strategy that was recommended was national social security to sort out the problem of income insecurity of the people.

Decentralisation of development was also emphasized as a good strategy since it would help reach the grassroots as the trickle down theory has proved.

**CIVIL SOCIETY PARTICIPATION AND GOVERNANCE**

The political situation in some SSA countries, for example Zimbabwe has contributed to the decline of social indicators. It was pointed out that government and Civil Society Organizations (CSOs) should not be segmentalised because heterogeneity is lost in the process. It is this segmentation that makes various governments say that NGOs are subversive. Participation of civil society is necessary but mutual suspicion exists between government, donors and CSOs mainly because of politics, which undermines the full participation of civil society. Participation and contribution of CSOs is important because it brings out divergent views. However, it was pointed out that civil societies and governments do not share the same vision since civil societies are moulded around different values. Ethnic leanings of CSOs, vested interests in CSOs may affect the chosen poverty reduction strategy.

Good governance was mentioned as one of the methods of reducing poverty since corruption contributes a lot to poverty. Good governance is a general condition for poverty eradication. Most participants felt that CSOs expect good governance and accountability from the government but at the local level, most CSOs are not transparent. The legitimacy of NGOs was also questioned which is a governance issue and should not just apply to governments but to NGOs as well. They should be transparent, accountable, and identifiable and their constituents easily identified.

It was also pointed out that multiparty might not always lead to good governance because some members of CSOs use them for political gains or to go to parliament. Good governance through decentralization in Asia is not very successful but the irony is that poverty eradication has been achieved in most Asian countries.

Development and good governance are not smooth. Consensus building in the presence of conflicting issues is important since conflicts of interest are necessary but it is how to resolve or build consensus that is important since it implies democracy.

The participants felt that civil societies have to play their role in a responsible manner, complement and not complete with the government. They should be developmental.
MONITORING AND EVALUATION

It was emphasized that monitoring and evaluation of poverty and MDGs is a responsibility of all stakeholders and not just the government. However, monitoring and evaluation has not received sufficient attention in most SSA countries.

Data scarcity and lack of capacity in most SSA countries makes monitoring of poverty difficult. During the plenary sessions, the problem of capacity in both government and CSOs in SSA countries featured highly since it affects data collection and therefore monitoring and evaluation. There is need for capacity building and institution building in NGOs and in government.

The ownership of Poverty Reduction Strategies Papers (PRSPs) was also questioned since participation by CSOs and the poor was superficial in most countries (the consultations between governments and CSOs in PRSP design was mainly ad-hoc) and this makes monitoring and evaluation difficult.

RECOMMENDATIONS

Poverty reduction is the most pressing task facing developing countries. It is a challenge that many developing countries, especially Sub-Saharan Africa, could not overcome. That is why since the 1990s international attention and actions have been increasingly directed at poverty reduction. In particular, the 1995 World Summit for Social Development (WSSD) established a consensus to place people at the centre of concern for sustainable development and pledged to eliminate poverty, promote full and productive employment, and foster social integration to achieve stable, safe and just societies for all.

The Millennium Declaration, 2000, gave poverty reduction the highest priority for the twenty-first century and pledged to reduce global absolute poverty by 50 per cent by 2015 and reduce other forms of human deprivation. The MDGs have also been incorporated into the New Partnership for African Development (NEPAD) - a homegrown initiative launched in 2001 by African leaders to put African countries on a path of sustainable development through partnership, good governance and consolidated peace and security. What is striking, as a prerequisite and focal requirement for Millennium Declaration as well as all the relevant conferences is the partnership required at the international, regional and country levels. This partnership should neither be predatory nor opportunistic but embedded in the Millennium Declaration and subsequent conferences, for example, Financing for Development (2002) and Sustainable Development (2002). It is in this broader context that this modest initiative by UN-DESA with its partners on the ground, the various countries and UNCRD Africa Office ought to be seen.

The specific recommendations that follow emanate from the working of this event both plenary and group and particularly from the recommendations of the policy and process groups on their deliberation and presentation during the last day.

The participants were divided into two working groups. One to deal with policy recommendations arrived at by the participants after intensive deliberations. The other group dealt with the process that should be followed if PRSPs are to succeed in poverty reduction and meet the
MDGs. The participants stressed that poverty is endemic in all countries represented in the workshop even though GDP had increased in some countries. It was also noted that PRSPs had so far not succeeded in reducing poverty. The relationship between some governments and CSOs was not cordial but each viewed the other with suspicion. The participants came up with the following recommendations.

**PRO-POOR POLICIES**

- Land reform was emphasized as a policy to give the poor land titles since it was noted that landlessness is a major contributor to poverty in SSA. Settling and resettling the landless is important. Evicting squatters without offering them an alternative condemns the evictees to more poverty subjecting them to live in inhuman conditions.

- The role of the private sector was also emphasized and it was recommended that giving them an enabling environment to operate, for example by giving and respecting property rights would increase productivity and employment.

- GDP growth was also mentioned as a policy target but should not be over-emphasized as a policy for poverty reduction. GDP growth does not guarantee poverty reduction as it was noted that growth in most SSA countries does not come from the sectors where the majority of the poor are. Growth should be accompanied by deliberate redistributive policies. For example, Malaysia has a deliberate redistributive unit in national planning so may be the SSA countries can learn from this. There should be a policy to develop such sectors as agriculture, SMEs, and such other sectors that will give a decent source of income to the poor.

- Public expenditure should be in areas such as health, education, water, sanitation, judiciary and security as these sectors will enhance development and fight corruption and hence improving governance. Some SSA countries have been using their revenues on military hardware and defense due to civil conflicts, which tilts the balance against social sector spending. It was also noted that most SSA countries do not have proper tax administration systems leading to tax evasion and a small tax base. The tax rates in most countries are quite high and the participants recommended tax exemption on essential commodities that are mainly used by the poor. For example, Kenya recently removed tax on sanitary towels, reduced taxes on kerosene, milk, and maize flour as the poor mainly consume these. However, it was noted that tax exemption could be abused such that the tax-exempted goods are sold across the borders, so regional cooperation and good governance were recommended. It was recommended that there should be regular review of minimum wages and a review of taxable income to shield the low-income earners from high taxes.

- The debt problem is also important in SSA countries as most of them spend a huge proportion of their GDP on debt repayment. The participants recommended debt relief for these highly indebted countries and the relief monitored so that it is used on poverty reduction.

- Price instability and inflation may affect the poor and contribute to poverty. It was recommended that ways should be found to contain inflation to single digit and provide subsidies and tax exemption on agricultural inputs.

- Employment policy should be one that provides descent employment to the majority of the people. It was recommended that there should be a policy that sets a sufficient
wage level above the poverty line. Establishment of SMEs should be encouraged and skills, infrastructure, credit facilities, and training given to the entrepreneurs.

There should also be a policy on how the local communities, especially the poor can share resource gains, for example, on eco-tourism with the government.

Globalization was also said to have had some positive as well as negative effects on pro-poor policies. Through globalization, consumers are able to access cheap products but producers lose in the process. It therefore undermines poverty reduction efforts. It was noted that exports from SSA lack diversity and are low priced in the international markets. It was recommended that SSA countries should cooperate among themselves in price setting to offset the effects of globalization. They should also have a forum for information sharing especially information on trade, as this is not readily available. Agriculture in SSA countries has suffered due to trade barriers and subsidies of agriculture in developed countries. Therefore, SSA governments should also introduce deliberate trade policies to empower the poor, for example affirmative action and agricultural subsidies because of the unequal bargaining power at the international markets. It was also noted that privatization of public monopolies has led to more poverty as these have been bought by the rich and they have now been turned into private monopolies. There is need for a policy to control such monopolies to protect the poor from exploitation.

In terms of reform policies especially in PRSPs, it was noted that PRSPs do not necessarily address poverty issues since the poor did not participate in their design. The poor should therefore have an input in PRSPs. So it is important to promote the participation of the communities in the decision making process.

It was noted that the poor lack accessibility of resources and it was therefore recommended that government should introduce a policy of decentralized service delivery to encourage participation. The management of community development funds should involve the poor.

It was also noted that PRSPs do not address security and justice issues. There are no mechanisms to protect the poor. Gender issues are also not properly addressed in PRSPs. It was therefore recommended that governments should adopt a legal framework to address security, justice and gender issues.

Most SSA countries lack commitment and accountability to address corruption. The poor do not have information on issues to eradicate corruption and it was recommended that governments should establish a policy on information sharing on accountability and transparency and minimize bureaucracy, which it was noted encourages corruption. There should also be enforcement of punitive measures on corruption.

It was also noted that the poor have little access to proper infrastructure, whether it is in terms of roads, communication and so on. Lack of proper maintenance and poor networking contributes to problems of information dissemination to the poor. It was therefore recommended that governments should establish a mechanism of infrastructure maintenance and it be well distributed for the poor to have access.

Issues of social services are not handled in PRSPs. It was noted that there is no mechanism set for HIV reduction in PRSPs. There should be a policy to support the burden of the HIV/AIDS affected families and for the promotion and access to anti-retroviral treatment.

Cost sharing affects the poor most. A mechanism to establish pro-poor policies that provide social security, health care, water and sanitation should be put in place and
should involve key actors such as government, private sector, NGOs and donors.

- Legal assistance for the poor should be provided and a legal framework for the promotion of the discriminated categories: women; children; disabled, violence victims.

**PROCESS**

- The process was led by the United Nations system through the UNDP in all countries before the World Bank came up with the PRSPs. Participation by civil society organizations was required during preparation of PRSP. Effective participation was limited because there was inadequate preparation and lack of data. Adequate preparation and confidence building is necessary between CSOs, governments, Non-governmental Organizations and all stakeholders. Countries should be at the centre of PRSPs with the view of mobilizing local resources and achieving ownership of the process.

- For Poverty Reduction Strategy Papers, there should be systematic information and data gathering that will ensure monitoring and evaluation.

- Needs assessment was not properly done and so clear guidelines should be established for the transition between Poverty Reduction Strategy Papers, National Development Plans and Pro-poor Budgets.

- Need to establish a monitoring and evaluation unit with adequate participation of Civil Society Organizations.

- There should be a permanent mechanism for poverty reduction assessment established in all countries and Civil Society Organizations should be incorporated as members of these mechanisms.

- Governments and Civil Society Organizations are complementary and genuine partnership should be created and enhanced.

- There should be a clear and comprehensive regulatory framework for Civil Society Organizations in all countries.

- National capacity building is necessary in the following areas:

1. Data collection;
2. Monitoring and Evaluation;
3. Information and Dissemination; and
4. Accessing and negotiating for resource mobilization.

The participants would have liked to have more time for discussion. They recommended follow-up country and regional workshops for more discussions on the same. Sekou Soumahoro on behalf of Mr. Adil Khan officially closed the workshop on the 30th June 2005.
1. BACKGROUND PAPER: EVALUATING PUBLIC POLICIES FOR POVERTY REDUCTION - THE WIDER CONTEXT

Olympios Katsiaouni

1.1 INTRODUCTION

The United Nations monitoring reviews of Millennium Development Goals performance paint a mixed picture. Solid progress in parts of Asia is marred by indifferent performance in other parts of the globe, such as Latin America, and a notable slippage in Africa. The explanations offered, though not totally consistent, point to both international and national causes for the malaise. Volumes of aid, inadequate progress with trade and debt cancellation, are among the main variables used to explain the shortfalls in performance at the international level. This, however, does not totally account for the good progress made by a number of countries, such as China and India, which have not been the recipients of major aid flows, on a per capita basis, and also face similar constraints in terms of trade and debt cancellation as the rest of the developing world. At the national level the analysis offered is more fragmented, and less coherent, for the specificities of each country need to be taken into account. Indeed, the danger of treating Sub-Saharan Africa, analytically, as one is that it would fail to account for unevenness in performance by country even where the overall picture is not very encouraging. In a number of cases, notably Uganda, both poverty and the incidence of HIV/AIDS have declined, and economic growth, a prime instrument offered for poverty reduction, has picked up. MDG slippage is not purely a regional or Sub-Saharan phenomenon for even within the region there is a significant variability in the value and trends of the indicators. Hence, much more remains to be explained, and a purpose of this workshop is to seek more convincing explanations on the difference of performance, both overall and within the sub-region, and lessons that may be learned.

1.2 FOCUS OF THE WORKSHOP

Two of the areas that merit systematic consideration are the impact of public policies on poverty reduction, and the citizen-with-government dialoguing for pro-poor growth. The workshop, naturally, will be organized in such a manner to take into account these two parts. The rationale for focusing on these areas of concern can simply be made: It is increasingly accepted that growth alone, even where rapid, is not sufficient for poverty reduction. The quality of growth - including its gender, sector and rural versus urban dimension - and the role of public policy are preeminently important as to whether additional income can be translated to poverty reduction, and to the improvement of the other seven MDGs. Further, issues of governance and civil society engagement are both an end goal and objective, as well as seen as pivotal to MDG performance. Increasingly, the point is made that not only growth must be accompanied by pro-poor policies and civil society engagement to ensure a more egalitarian outcome, but rather that without the latter, that is without pro-poor policies and deep involvement of civil society, growth itself is at risk. In purely statistical terms, inequalities increase the required growth rates to lift people out of poverty, or to put it more starkly, existing growth rates do not have the required poverty reduction impact because of rising
inequalities. Indeed, as national governments, and their international partners have found, poverty reduction strategies, including Poverty Reduction Strategy Papers, are not likely to have the desired effects without a genuine involvement of civil society both during design and implementation. But even this concession places the spotlight too narrowly. For should civil society only be involved when it is demonstrated that otherwise a poverty reduction programme is at risk of failure? Further, what characterizes a genuine involvement by civil society and what is required to strengthen its capacities and the institutional environment to make the voice of its members heard? Clearly, to ask for civil society’s involvement after the event, that is when other means have been tried and failed, is not only opportunistic but it is not likely to be sustainable. Similarly, one can argue that the problem with PRSPs is not that they need strong civil society engagement to be enforceable but that one cannot conceive a PRSP without the empowerment of civil society and of the poor. Hence, the lasting challenge is how to empower civil society and the poor not for any one set of goals, such as MDGs, however noble these may be, but to capacitate civil society to face all major challenges. Which implies to make civil society’s involvement, and partnership with government and the other social partners, continuous and sustained.

A careful reading of the Millennium Declaration, 2000, suggests that it is not MDGs alone that are the driving force of the Declaration, but a value-driven agenda on how countries and the international community do business and cooperate. The “how to” part of the Millennium Declaration is often forgotten, or placed at a lower rank of importance, than the numerical values of the MDGs. The two, however, that is what is to be achieved, characterized by the eight MDGs and 18 objectives, and how to get there, that is the process or value driven part, are closely linked. Hence, both the impact of public policy and its process of engagement are the levers, or focus, for this workshop, with poverty reduction an important milestone. This, in turn, requires consideration of the challenges embedded in the wider context for evaluating public policies, which is the subject matter of this paper.

1.3 PROGRESS IN ACHIEVING THE MDGs

Recently, the Millennium Project presented the results of an exhaustive review on MDGs performance. As expected, the overall progress to-date is mixed with significant shortfalls in achievements by region, with added skewness by country and sub-region. Even without the definitive picture presented by the Millennium Project, sufficient evidence was in hand to demonstrate unsatisfactory performance, with large parts of the globe, namely Sub-Saharan Africa, lagging behind. However, as the Millennium Project Report stressed, Sub-Saharan Africa is the epicenter of the crisis, with continuing food insecurity, a rise of extreme poverty, stunning high child and maternal mortality, large numbers of people in slums, and a widespread shortfall for most of the MDGs. It may be recalled that the Millennium Declaration of 2000 did exhibit prescience in calling for the special needs of Africa to be met within a context of consolidating democratic principles, preventing conflict, and securing the MDGs. The Millennium Project Report of 2005 supports this by providing additional evidence and recommendations on how both national governments and the international community may assist. Given the centrality of Sub-Saharan Africa in the MDGs challenge, it may be worth looking at the evidence a little closer. This will explain the importance of focusing on the impact of public policy and the engagement with civil society, two major factors, traditionally neglected but crucial to ensuring poverty reduction and achievement of the other MDGs.
1.4 SCHEMATIC EVIDENCE

At the outset, it may be worthwhile to summarize the state of play of international financing for MDGs and the management of development assistance. Official Development Assistance (ODA) until recently was estimated at US$ 68.5 billion. This estimate has been revised upwards to US $ 78.6 billion for 2004. The latest estimate is higher than the US$ 52 billion at the beginning of the Millennium, but not significantly higher in terms of the proportion, at 0.25 of a percentage point, of the Gross National Product, GNP, of developed economies. The additional ODA required for MDGs is currently thought to be a minimum of between US$ 60 to 70 billion, annually, bringing the share to GNI to about 0.5 of a percentage point. It may be recalled that the World Community committed itself to about 0.7 percent of GNP – which currently only a small group of Scandinavian countries have managed to attain consistently. There has been progress in commitments since the Monterrey Conference of 2002, but clearly not sufficient to make a serious dent in the shortfall of resource requirements. The USA and the European Union have committed themselves to significant increases in assistance for MDG purposes. The emphasis, or quid pro quo, may differ on what the donors wish to see in exchange, but the commitment to higher ODA is unmistakable. Indeed, a clutch of countries including Belgium, France, Ireland, Spain and the UK, all promised to reach near the 0.7 percent GNP target within the next decade.

Despite notable setbacks, progress from one-party rule to multi-party democracy has been made throughout Sub-Saharan Africa. In the 1990s alone, two thirds of the countries in the region have organized multiparty and competitive elections. Contrary to eye-catching headlines, current evidence points out that there are now fewer wars and fatalities in Africa as a result of armed conflict. Military dictatorships or overt and covert military influences still exist, but are maintained with more difficulty, as opposition becomes more vocal. Countries that have embraced and managed global change, such as Mauritius and more recently Uganda, have seen tremendous progress either in income levels, in the case of Mauritius, or in the reduction of HIV/AIDS and poverty in Uganda. The African economies are far more open than at any other time in the past, as measured by the shares of exports and imports in their national income or by their reduction of tariffs and subsidies. Indeed, for cash crops and other agricultural products, the competitiveness of developing countries is not in question, but rather the willingness of developed countries, such as the European Union and the USA, to abandon their own restrictive trade and tariff policies. As K.Y. Amoako, the Executive Secretary of the UN Economic Commission for Africa, has pointed out, international trade has more than tripled in the era of globalization. Yet Africa’s share of global exports has declined from nearly five percent in 1980 to under two percent currently. Competitiveness, including comparative advantage, is a perennial factor given to account for export performance, but market access in the case of Sub-Saharan Africa is a more compelling reason for current difficulties.

The openness of an economy does not amount to its global integration, but it does imply that the continent has adhered to the requirements of donors and International Financial Institutions, IFIs, regarding trade. For Sub-Saharan Africa, balance of payments deficits have been reduced, inflation rates are rarely at the two-digit level, and government fiscal deficits, including those of state owned enterprises, have been contained. Over the long term and since independence, social indicators have also shown encouraging if not universal improvement, including literacy rates, school enrollment, and life expectancy - if one abstracts from those
countries with heavy incidence of HIV/AIDS. Thus, many developing countries that depend on official development assistance (ODA) have experienced a presumed policy change that has allowed donors to feel that engagement is possible, and some indicators have shown commendable progress either for particular countries or entire regions.

The cessation of conflict across borders and more frequently within countries and the resumption of democratic processes are preconditions for good governance, which in turn is a necessary platform to the enabling environment for the MDGs. For example, it is not accidental that some of the countries experiencing the worst political turmoil and civil strife during the 1990s were also the ones that registered the worst economic performance. Both during and after the conference on Financing for Development in Monterrey 2002, the donor community indicated sensitivity to these developments and its willingness to reward countries that abandon conflict and resume their quest for better governance. The interpretation of what constitutes good governance may vary, as some donors may favor the inclusion of social and environmental responsibility among more traditional attributes, such as accountability, contested elections, independent judiciary, elimination of corruption, a free press, and the rule of law, but these are matters of emphasis rather than of basic differences. However, the deepening of democratic processes, including the role and engagement of civil society, are in principle accepted by all participants to the debate. Questions arise, rather, on the means for empowering civil society, the role they can play, and how to capacitate both civil society and government institutions to undertake this task. It is this aspect that the Nairobi Workshop, 2005, will deal with, that is the practical aspects of the process of engagement and dialoguing between Government and Civil Society, rather than theoretical considerations on its desirability.

In all, progress can be seen if MDGs are more generously interpreted to incorporate aspects of favorable change in the policy regimes, improved political governance, and social indicators on a longer time span than those required by the Millennium Targets. But here is the catch: For if one adheres strictly to the MDGs’ quantitative targets overall performance is not as sanguine and in the case of Sub-Saharan Africa progress is poor. To this end, the most recent Report of the Secretary-General on the Implementation of the MDGs, 2004 makes sober reading. In the Statistical Annex of the Report, Sub-Saharan Africa comes out comparatively worse than other regions for all MDGs. For core MDGs including Goal One on eradication of poverty, performance is poor on both a relative and absolute level. Indicators under Target One, on halving the proportion of people whose income is less than one dollar a day, demonstrate that in percentage terms there has been stagnation and in absolute terms, retrogression. That is, the percentage of population living below the US$ 1 dollar minimum has hardly moved since 1990, remaining at around 46 percent of the total, while the poverty gap ratio has actually increased to over 20 percent. The same applies for Target Two, to halve the proportion of people who suffer from hunger; the most recent estimates indicate that about one in three Sub-Saharan Africans subsist below the minimum level requirement of dietary energy consumption. This proportion has remained constant over the last decade, which indicates no progress at a relatively high level of malnutrition. Other indicators, such as underweight children lead to the same conclusion – widespread and undiminished malnutrition. It is this conundrum, and dilemma, that the Nairobi Workshop, 2005, intends, in part, to explore further.

Regarding Goal Two in the period 1998/99 to 2001/02, the percentage of students that enrolled in the final grade of primary schools has shown a minor increase, from 49.4 percent to 52.9
percent. Hence, almost half of all children, in Sub-Saharan Africa, do not complete primary school – a proportion far higher than in any other region and twice as many as in North Africa. Similarly slow or inadequate progress is recorded with the rest of the MDGs, including child mortality (Goal Four), improvements to maternal health (Goal Six), and combating HIV/AIDS and malaria (Goal Six). Sub-Saharan Africa has almost twice the rate of under-five mortality, at 174 deaths per 1000 live births, than Southern Asia, the next worse off region, and four times as many as Northern Africa, the best performing region in reducing child mortality. Rates for maternal death (Goal Five) and HIV/AIDS (Goal Six) are again far higher in Sub-Saharan Africa than in other developing regions, although a few countries such as Uganda have shown impressive progress in reducing the HIV/AIDS epidemic. To make the analysis even starker, it may be recalled that Sub-Saharan Africa already suffers from the highest incidence in these clusters for most of the indicators dealing with poverty, HIV/AIDS, child and mother mortality rates. Hence, we are not only failing to observe good progress, but also the relative proportions affected by poverty, hunger, HIV/AIDS, malaria, mother and child mortality are higher in this region than elsewhere.

On present count, what is most disturbing is the significant gap between progress and MDGs requirements in Africa. Furthermore, this gap increases when contrasted to progress in other regions. Chen and Ravallion, 2004 of the World Bank have pointed out that at the US$ one dollar poverty line, the depth of poverty in Africa is 20 percent (poverty gap index) as compared to six percent for the developing world as a whole, and further that the mean income of the poor in Africa has been falling. In short, not only more poor, but also a deeper kind of poverty is enveloping Sub-Saharan Africa. Twenty-three out of 45 Sub-Saharan countries are failing in half or more of the MDG goals. Twelve do not have adequate data to be assessed, but some cases, such as Liberia and Somalia, have clearly experienced tremendous turmoil, dislocation, and decline. Only ten Africa countries are on track to meeting at least half of the MDGs. Thus, the outlook for meeting the MDGs by 2015, though possible, is not an overly optimistic one, when the predicament of Sub-Saharan Africa is taken into account.

Even in the lost decade of development of the 1980s, practitioners managing development assistance, and those who were prepared to listen to the voice of civil society and the governed, received sufficient signals that it was not enough to simply focus on implementing “good policies” that were said to have been effective elsewhere. This begs the question of whether one can separate the appropriateness or goodness of policies, from the way in which they are developed, how these are arrived at, or partnered for implementation. Here, such a contention is found hollow. However, it is progress to recognize the importance of institutions when contrasted with the earlier stance of searching for the “right” economic policies, independent from issues of governance and institutions, as a key to the development strategy.

It may be recalled that under the earlier and more stringent regime of market driven development, the emphasis was on getting the macro targets right, which meant shrinking the external and internal imbalances and freeing the exchange and monetary policies, thereby containing inflation, eliminating parallel markets, and reducing the size of the public sector. Parallel to this, there was to be an encouragement of the private sector, a reduction of agricultural subsidies, an increase of privatization, an extensive introduction of user fees, and an attempt to redefine the role of the state as that of providing an enabling environment. The definition and scope of the enabling environment was again narrowly interpreted to favor
market objectives, management practices, and corporate criteria of performance. Hence, it may be worthwhile to look at the macro context more closely.

1.5 THE MACRO CONTEXT

The use and efficacy of macro economic policies cannot be separated from the structure of the economies in Sub-Saharan Africa nor of the particular features of each individual country. Though this is more or less accepted the implications that flow from this statement are rarely, if ever, spelled out. One implication of this is that there is no one set of policies, tools or processes that are likely to fit all cases and indeed innovation, and experimentation with policies and tools, ought to be part of the search for a pro-poor strategy. However, time and again, the contrary is observed. Meaning that despite the structural differences of Sub-Saharan Africa, both internally and relative to other regions, the proffered solutions remain more or less invariant. That is macro-policy is still preoccupied with the importance of relative prices, ergo the stress of freeing prices to find an equilibrium, to the restoration of external, that is balance of payments, and internal, that is the state budget, imbalances and with private sector incentives for investment and economic growth. Everything else is subsumed under this rubric of neo-liberal or market determined prices. The fiscal and monetary tools used, which in the main take the form of government revenue and expenditure, interest rates, and exchange rate policy, focus on nominally simple directives. These include, maintaining a predetermined balance in the income and expenditure of government, usually expressed as a percentage of deficit on the recurrent account of government, ensuring that interest rates are positive, that is in excess of inflation, and that the current balance of payments is more or less in sync, that is not subject to exchange rate volatility or to growing deficits. Targeting specific rates of inflation may not be explicitly mentioned, but it is part of the overall desirables of the macro economic scenario. Indeed, these simple ideas have been refined to demonstrate the relationship between domestic government deficits and the external balance, and the presumed efficacy of interest rates to tackle simultaneously, inflation, savings, external imbalances and the exchange rate. As positive evidence, that market-determined policies have worked the International Financial Institutions, and Central Banks of the various countries, often point out to the reduction of inflation, the prevalence of real interest rates, the shrinkage of government deficits and the containment of external deficits. These in turn are given as preconditions in encouraging growth, savings, investment and stable exchange rates. Again note that the emphasis is on the working of relative prices, including those of goods and services, borrowing and lending, domestic versus international prices, and wages versus profits, as a means of competitiveness and prosperity. Thus, anything that is taken to disturb the market, such as agricultural, industrial or export subsidies, investment by the state, even for much needed infrastructure, exchange or capital market controls, credit priorazation, are frowned upon or thought as inimical to growth and prosperity.

The prevailing policies would have been more persuasive, that is no questions asked, if they proved to be more successful, or at least their efficacy in their own terms was proven. However, not only the rates of poverty, unemployment and underemployment, are unacceptably high, and in many cases increasing, but the avowed strength of the pro market policies in stimulating growth, investment and savings are in dispute. That is for the past two decades, which has been the pinnacle of applying neo-liberal reforms in Sub-Saharan Africa, economic growth, in real terms and on a per capita basis, has been negative, while investment and savings, including FDI, if one abstracts from investment in minerals and petroleum has hardly
increased. Thus, the sense of urgency in retracing our intellectual steps, in stop thinking that one size fits all, and in contesting prevailing orthodoxies is borne out of experience as much as a rejection of dogma, irrespective of pedigree.

What are the structural characteristics of Sub-Saharan Africa that merit consideration, and why is macro policy important to any set of tools that we may consider? We look at these questions jointly below:

Several factors, in combination, set Sub-Saharan Africa apart from other continents or regions:

- The primacy of the rural economy and of the informal or unregulated sectors. It is still the case at present that over 60 percent of Sub-Saharan population live and earn their living in rural areas, and a sizeable part of the population, both rural and urban, are in the informal or unregulated sectors. Any policies or tools that aim to impact upon poverty must, ipso facto, address themselves to these two phenomena that is the primary importance of rural activities and of the informal sectors. In contrast, and typically, fiscal and monetary policies primarily address the formal or regulated sector and their impact on the rural and informal sectors are indirect. A case in point is monetary policy and banking. Interest rates are invariably higher in the rural and informal sectors in part because there has been no financial deepening, that is the banking sector does not service rural Sub-Saharan Africa, and in part because the rural and informal sectors are characterized by a multiplicity of small producers which are badly integrated into the market economy;

- The narrow export base is simultaneously characterized by primary commodities, minerals or hydrocarbons, whose prices are determined externally. Not only the value added to Sub-Saharan exports is low but also the terms of trade and commodity prices for the larger part of the last century were declining. The policy implication of this is that competitiveness, which is the credo of neo-liberal policies, is only part of the export story that can be influenced domestically, for the other, and main part, is written in world markets. Hence, it is possible for poverty to increase substantially, and with rapidity, irrespective of the competitiveness of agricultural exports if commodity prices slump. The traditional safety nets, and other measures to combat poverty, need rethinking for a good measure of the incidence of poverty does not arise purely as a consequence of no, or degraded, employment, which is a key source of poverty in developed countries, but because of precipitous falls in rural-family incomes. Unemployment estimates, which are still woefully inadequate in Sub-Saharan Africa, only address the formal or regulated sectors. The shortage of jobs in Africa is reflected in the rapid growth of the informal sector, and in the maintenance of peasant or small-scale farms which produce essentially for the household with little surplus for the market;

- Growth of output has been on average low, irregular, and increasingly marked by greater inequalities in distribution. It is possible for a particular year, or short periods of time for growth of output to register high performance in a number of countries. For example for 2004 the IMF noted that 20 Sub-Saharan countries achieved growth of over five percent. What has not been in the economic annals of Sub-Saharan Africa, for at least the last twenty years, is a protracted period of growth, of the order of four or five years, for a number of countries. That is the number of countries that
achieve consistently high growth rates are very few and far in between – with little impact on the overall performance of Sub-Saharan Africa. On the contrary, what has usually been observed is low-grade growth for long periods, marked by volatility and increasingly intra-urban and intra-rural disparities. The policy implication of this is the requirement for a set of measures and tools that support a more even economic performance rather than the one-of-high that the present policies seem to create. Further that often implicit in the existing policies is either a no-pro-poor bias or, worse, a bias for further inequalities.

The investment, savings, employment nexus is weak and in a mess. First, despite high real interest rates, savings are low in most of the Sub-Saharan countries. Thus, the relative prices argument that savings are a function of interest is either not working or not working sufficiently well to make a difference to the savings ration. Orthodox theory may argue that this is due to the stickiness of relative prices or that information takes time, and resources, to be disseminated. Suffice to note that this stickiness in relative prices has been operating for a considerable period, and since the impact of the pro-market policies on interest rates, when in fact they were only expected to have an influence in the short run. Moreover, the divergence of interest rates and spreads, between lending and borrowing rates by the banks, is a more structural phenomenon in that the rural economy has a higher spread and costs of borrowing than the urban sector. High real interest rates make it difficult for small and medium enterprises to be created and for the rural sector to thrive. In many instances, interest rates have not been reduced in alignment with the slow down of inflation, so that real interest rates show a marked tendency to be high, much higher than those ruling in developed economies, and increasing. The prevailing macro economic policies, though inflation reducing, and pro-private sector, have not made a marked difference to the inflow of Foreign Direct Investment, or to the increase of domestic generated investment. Thus, the investment levels are not adequate for MDGs requirements and still have to rely on ODA and on Government financing. However, government financing is constrained firstly because the revenue base is narrow, and second because of the increased requirements to service public debt, both domestic and foreign. ODA itself, according to the Blair Commission on Africa, 2005, needs to be doubled if the MDGs would have a fair chance of success. In all, there is a major dis-functionality, and an inadequacy. The relations between real interest rates, savings and investment in Sub-Saharan Africa are, by and large, dysfunctional. High real interest rates have not brought forth the required savings, indeed household savings both absolutely and relative to National Income are very low, while small and medium enterprises and the farmers are punished by the prevailing high lending rates. Investment itself has not benefited from FDI inflows, while ODA is not sufficient to compensate for the low FDI. The bias against public investment is still found in the prevailing pro-market environment which constrains government income, and its ability to spend on infrastructure and utilities, which are necessary complements for private investment.

Sufficient has been said to point to the special character of Sub-Saharan Africa and why these features impact or constrain the preferred policies. Increasingly, and of special interest is the use of micro finance for poverty reduction, with the current year, that is 2005, declared as the year of micro-finance by the United Nations. The contribution that micro-finance has made to the lives of small communities, especially in Asia, is well known. However, two interlinked
questions arise. Why micro-finance in Africa is not on the same scale and depth as in Asia, and second what are the boundaries that make micro-finance such a restricted activity scope and depth in the context of the continent? Three explanations may be offered as a response to these questions:

- First, the banking and monetary environment in Sub-Saharan Africa is inimical to the growth of micro-finance and micro-credit. This is because of the existence of high real interest rates which force borrowing and lending rates by micro-finance institutions to be too high for the small borrower, that is the target group;
- Second, Non-Governmental Organizations (NGO), and banking institutions are weak in the rural areas, and this exacerbates the difficulties in the setting of micro-credit institutions. Further, the culture of working together by NGOs is relatively weak, and where found is contained in the urban, or HQ, environment;
- Third, there are no market-based instruments for saving in the rural areas, and where household savings occur; these are in the form of farm improvements or increasing the herd. Since, marketization of the rural areas is still limited, land ownership and collateral problematic; these factors make the opportunities for small-scale investment, and the need to borrow, constrained.

The overall conclusions that arise from the above are easily to set out. Sub-Saharan Africa has indeed special characteristics that should have guided pro-poor policies. There is little evidence to show that this was the case, and indeed there is evidence to indicate that some of the structural constraints facing Africa, including the deepening of poverty and economic contraction of the rural sector, have worsened. The overall or macro parameters, within which strategies and tools have to operate, are unduly restrictive. These include both monetary and fiscal policies and also the environment for encouraging SMEs. In this sense, there must be little complacency that the development of poverty reduction strategies and tools would be relatively smooth, for there are considerable difficulties in their path. However, there is no justification for avoiding thinking of new options and possible alternatives. The present economic trajectory is not in tandem with the targets of the MDGs, nor for a sustainable prosperity of Sub-Saharan Africa.

1.6 OUTSTANDING CONCERNS

Three factors were routinely overlooked in the economic reforms and development strategies of the 1980s and 1990s:

First, the costs of these policies were unevenly distributed in terms of retrenched workers, elimination of subsidies for agriculture, and reduction of public services. The poor and the general public that paid for health and education services, or the small farmers that saw their energy and fertilizer bills escalating were not the direct stakeholders of the policies. Moreover, although cash crops were encouraged, internationally determined commodities prices fell throughout the 1980s and most of the 1990s. Adding to the social cost, the small and medium enterprises (SMEs) retrenched for interest rates and monetary policies were unduly restrictive. There has been no perceptible economic diversification or growth of the SMEs in Sub-Saharan Africa that could be credited to the structural adjustment policies of the previous two decades. Thus, even though policy makers were able to reduce inflation, fiscal imbalances, and the parallel market, the dose of the medicine was too strong to enable
many small enterprises or farmers to survive or prosper. Moreover, given the demographics of developing countries and the bulging of new entrants to the labor force, job creation was totally inadequate to absorb the new job seekers let alone redeploy the retrenched employees from the public sector. In all the impact of public policy, both on the incomes of the poor and on employment creation are key to progress with all the MDGs, and particularly for poverty reduction. During the period of successive doses of structural adjustment, there was little effort to engage civil society in the prevailing pro-market reforms and social services reduction. The kind of partnerships, including government to civil society engagement, sought in the sale and operation of public enterprises by the private sector were rather opportunistic and one sided. Neither the consumer nor civil society played a large role in the decisions taken, although the process was undertaken in their name and outcome primarily addressed to them.

On the issue of income inequality, two points may be made. First, despite limitation of data availability for Sub-Saharan Africa, regional variations, as captured by the Gini Coefficient, are very significant. Countries in Southern Africa, including South Africa, Lesotho, Swaziland and Namibia have much higher levels of income inequality than the East and Central Regions of Africa, including Uganda, Ethiopia and Tanzania. Second, Professor Cornia has argued that following the structural adjustment the urban-rural-income gap was reduced by a process of “equalizing downward”, as in Ivory Coast, and that intra-urban and intra-rural inequality rose, such as in Kenya, where concentration of land was high or where recovery did not reach the more remote areas.

Second, it is true that many developing countries were able to reach the appropriate macro economic targets, which often meant a reduction of fiscal and current account deficits, a market determined borrowing and lending rates, and containment of subsidies and the public sector wage bill. Yet, the ensuing growth rates were hardly sufficient to provide sustainable growth in the standard of living, let alone make an impact on poverty. For example, standards of living for most Africans did not increase during the 1980s. When upturn in economic growth was noted, as in the 1990s, this was not sufficient to reduce poverty, in either relative or absolute terms. By comparison, overall growth rates traditionally registered by Sub-Saharan Africa, of the order of two to three percent, are insufficient for MDGs purposes. The UN Millennium Development Project and the New Partnership for Africa’s Development (NEPAD) suggest much higher rates of around seven percent annually as sustained growth requirements for poverty reduction. Each year that this target is not met, the requirements are notched up further in terms of growth of output and ODA. Hence, the increased appreciation that governance matters – including institutions, civil society participation, and capacity development – is not primarily due to intellectual enlightenment, but rather borne out of the recognition that previous policies did not yield the desired results. The rationale for focusing on Sub-Saharan Africa ought to be clear to anyone that has had to deal with MDG performance of the different regions – as this is the continent where slippage is most observed and the major challenge lies. What is clearly of interest to the Nairobi Workshop, 2005, is not only how public policy can translate growth rates to poverty reduction but also more pertinently why some countries appear to be consistently better in delivering this objective than others.

Third, a central omission in earlier development strategies and policies focusing on poverty was the role of governance, in particular the narrow definition or inadequate emphasis on partnerships and government to civil society engagement, as the international community progressively realized. The role of governance is no longer a bone of contention, since its
importance is appreciated by different schools of thought, irrespective how close these are to the ethos and principles of the United Nations and the Millennium Declaration. Rather, where discussion and controversy lie is how to make the precepts of good governance operational and where to fix the boundaries of the process. For example, is good governance simply adherence to the rule of law, an enabling environment that guarantees property rights, multiparty elections, and free media or should it be extended further down to incorporate economic and social rights and a value system of inclusion and participation by the abjectly poor? Moreover, where do decentralization and civic society values fit for societies that are primarily rural, poor, and with historical antecedents not long out of colonialism, with a neglect of the periphery? Equally, should partnerships be seen primarily in the traditional light of public to private sector collaboration, with privatization and other forms of pro-market coalitions as prime examples? A comprehensive interpretation of partnerships seeks a more active role for civil society in interfacing with government over shared objectives, such as the MDGs. In this wider and more contemporary interpretation of partnerships the Committee of Experts on Public Administration (CEPA) of the United Nations is much more demanding and expansive in its treatment of the subject\textsuperscript{a}. Here, a whole new approach of engaged governance is introduced, where the concept of partnership deals with MDG objectives and a way of conducting government that presupposes major departure from traditional practices\textsuperscript{b}.

These three areas, namely concerns on economic growth, equity and the impact of public policy, and governance/civil society considerations, are not only of relevance to the understanding of progress to-date, but of fundamental importance to the future of MDGs. The same considerations take on a special significance in the case of Sub-Saharan Africa where inimical growth rates, emerging inequalities and governance deficits are major MDG concerns.

1.7 FUTURE ORIENTATIONS AND THE CONTRIBUTIONS OF THE WORKSHOP

The Nairobi Workshop, 2005, may be seen as a contribution to the debate on how to secure the MDGs and in particular on enhancing the impact of public policy and the role of government and civil society engagement\textsuperscript{c}. In part, the Workshop may also be regarded as a departure for while taking on board the ongoing discussion, and MDG progress to-date, it focuses on specific countries and a sub-region where experience is richly diverse embodying many of the challenges faced elsewhere. In particular, the following questions are worth keeping in mind by the participants to the Workshop:

- First, what is the impact of public policy on poverty reduction from a specific country, and from a regional perspective?
- Second, why are there differences in the impact of public policy, and forms of government and civil society engagement, and how one may account for these differences?
- Third, what role has civil society and government engagement played in the process of poverty reduction, particularly the PRSPs, and MDGs in general? and
- Fourth, what are the lessons we can draw and best practice examples that can be drawn by the UN system and its partners?
The expectations from the Workshop are, justifiably, high but reasonable. First, while taking into account the country experience and knowledge of the participants, to support the development of a methodology and tools for improving and measuring the impact of public policy on poverty reduction. Second, integrate into this the role of government and civil society engagement, particularly deepening the capacities of civil society in dialoguing with development partners over the poverty reduction strategies and the MDG objectives. Third, to prepare an action programme for taking the recommendations from the Workshop forward and in light of the specificities of the individual countries and the sub-region. In all, the Workshop is seen as an opportunity to find from the grass roots, country level, and the sub-region, what has been the MDG experience regarding the impact of public policy and civil society engagement, and more so how to ensure that the lessons learned inform and guide future initiatives for reducing poverty.
Endnotes

a This Workshop is organized primarily by the Socio-Economic Governance and Management Branch, SGMB, of the Division for Public Administration and Development Management, DPADM, of UN-DESA. The officers involved are M. Adil Khan, Khan4@un.org, Chief of Branch, Olympios Katsiaouni, Katsiaouni@un.org, Interregional Adviser, Jean Le Nay, Nay@un.org, Interregional Adviser, and Sekou Soumahoro, Soumahoro@un.org, Senior Economics Programme Officer, who would be happy to respond to any questions. In-country partners for this event are UNCRD, Nairobi Office, the Office of the UN Coordinator, and the Government of Kenya.


c Investing in Development: A Practical Plan to Achieve the Millennium Development Goals, UN Millennium Project, January 2005, on line see website www.unmillenniumproject.org.

d The annual reviews of MDG performance is contained in the UN Secretary-General’s Report on Implementation of the United Nations Millennium Declaration including A/59/282, 2004. The online documentation of the reviews can be found under http://documents.un.org.

e Investing in Development: A Practical Plan to Achieve the Millennium Development Goals, Overview, page 9, United Nations, 2005.


g See, Aid, at Record Levels, Still Falls Short of Goals, Inter Press Service, Terra Viva, UN Journal, 12 April, 2005. When taking into account inflation and the fall of the US Dollar, vis a viz other main currencies, the increase of ODA between 2003 and 2004 was of the order of 4.6 percent.

h The estimates regarding MDG funding requirements vary through time as they depend in the intervening progress in mobilizing funds. For every year that there is a shortfall in the required funds, the unfunded residual is carried over into future years. The US $ 50 billion, per annum, of additional resources that originally was thought adequate, currently appears on the low side because of shortfalls in Official Development Assistance in relation to MDG requirements. The UN Millennium Project, at www.unmillenniumproject.org carries out periodic reviews and assessments of these requirements.


j A current, February, 2005, example of this is the attempt by the military to impose their own candidate as president in Togo, the son of the last president, when the constitution of the country prescribes otherwise. On this occasion, not only domestic opposition was vocal but ECOWAS insisted that the constitution ought to be respected prior to calling for presidential elections.


l To this end, the Millennium Project’s Report, Investing in Development, 2005, makes a useful distinction two broad sources of inadequate governance – bad volition and lack of capacity. Inadequate governance is not purely the result of “corrupt” governments where political power is held by larcenous leaders. At the other end of the scale it is possible for countries to have weak governance because the state lacks the resources and capacity to manage an efficient public administration. Here the limiting factor is not lack of volition but lack of capacity or resources. See especially chapter 7, on Governance to Achieve the MDGs, in Investing in Development, United Nations, 2005.

m As a group these countries included Angola, Burundi, Central African Republic, the Democratic Republic of Congo, Liberia, Rwanda and Sierra Leone. For all these countries
economic growth in the 1990s was negative. Yet, the sad irony is that some of these countries were rich in resource endowments, and geographically well placed that could have exploited their comparative advantage.

Individual country progress with respect to MDGs is found in the country reports organized and led by national governments and reported to the UN Development Group, online www.undg.org. For the more generic progress see, especially, Overview in Investing in Development, The Millennium Project, 2005, online www.unmillenniumproject.org.

It may be recalled that six of the eight MDGs are purely socioeconomic in nature. These are: Goal 1, on Eradication of extreme poverty; Goal 2, Universal primary education; Goal 3, Gender equality and empowerment of women; Goal 4, Reduction of child mortality; Goal 5, Improvement of maternal health; and Goal 6, Combat HIV/AIDS, malaria and other diseases. Goal 7 is to Ensure environmental sustainability; and the last Goal 8, on Developing a global partnership for development.

For Goal 3, promoting gender equality progress was patchy, rather than consistent. For example, the ratio of girls to boys’ education, at primary level, has improved from 0.83 in 1990/19991, to 0.86 in 2001/2002. While a small decline in this ratio was observed at the secondary level, from 0.81 to 0.79, over the same period. The clearest indication of progress under Goal 3, however, was for indicator twelve, proportion of seats held by women in national parliaments. For Sub-Saharan Africa this percentage increased from 7.2 percent in 1990 to 13.4 percent in 2004, which in itself was one of the relatively highest increases of all regions.


In the Keynesian model interest rate is formally determined by the liquidity preference theory, and the level of investment by the interaction of a downward sloping Marginal Efficiency of Capital, MEC, curve, and an invariant savings. Joan Robinson in her lighter moments called the MEC a bit of a fudge for it was little different from the neoclassical curve of the Marginal Productivity of Capital and the ideas of Marshall. However, the main emphasis of the Keynesian theory, which is still useful, is that savings adjust to income and to investment not the other way around – hence the secondary role placed on relative prices. Moreover, as expectations, and uncertainty came to play such as pivotal part in the Keynesian theories of investment, a greater sense of reality was introduced. It is difficult to understand or decipher the argument of the IFIs, and their counterparts at the Central Banks, on what determined the rate of interest, for developing countries, other than the tautological statement that it is the outcome of supply and demand for money. Whenever the occasion warrants the Irving Fisher theory of Money, its reincarnation by Milton Friedman or the Chicago School, the loanable funds theory of interest and the time preference theory are all paraded and given a new lease of life depending on the occasion.

On the importance of structural factors and specificities for Sub-Saharan Africa see John Weeks, Macroeconomic Policies in Africa, paper presented for the launching of the regional project, funded by UNDP, on Economic Policies in Support of MDGs, Kigali, Rwanda, 15-17 March, 2005. A series of other presentations were made at the same workshop, including on fiscal space, monetary policy, and the human development paradigm that are currently destined for publication on behalf of RBA/UNDP.


It may be noted here that three quarters of the 1.3 billion poor, that is those subsisting on less than US $ 1 dollar a day, live in rural areas. The hidden social costs of the traditional macro economic policies of adjustment, including elimination of agricultural subsidies, user fees, and accessing credit, affected in the main the rural and informal sectors.

What may be argued more precisely is that there is a secular fall in the industrial commodity index that has its origins in the middle of the 19th Century. On this see the article and accompanied charts in the Economist magazine, “A raw deal for commodities”, April 15th,
1999. However, despite this secular fall there are cyclical movements which for short periods of time individual commodities prices, e.g. for coal, copper and gold, can increase appreciably – a case in point, the recent increase in commodity prices associated with Asian demand.

The estimates on the Gini Coefficient for different countries in Africa can be readily sourced from the UNDP Human Development Reports, various issues, and are available from the author.


While economic performance improved in Sub-Saharan Africa during the 1990s, average annual growth for the entire decade was about 2.1 percent. Indeed, if population growth is taken into account, per capita income decreased during that decade by an annual -0.6 percent – see, The Millennium Development Goals in Africa, UNDP/UNICEF, 2002. The recent, 2003/2004, economic growth in Africa, to about 4 percent annually, though welcome is still too narrowly based and below MDG requirements.

It is interesting that the draftees of the Millennium Declaration, 2000, were aware of the specific challenge posed by Sub-Saharan Africa, which was reflected in that document, and subsequently the region has attracted most consistent attention in the review of the MDGs.

There are several recent reports of CEPA of relevance here, including: The role of public administration in the implementation of the United Nations Millennium Declaration, A/58/152, 2003; Developing institutions of governance and public administration in Africa, E/C.16/2004/6, 2004; and Strengthening public administration for the Millennium Development Goals: a partnership-building approach, EC/16/2004/5, 2004. While official publications of the UN are on line under [http://documents.un.org](http://documents.un.org); many other publications relating to the work of the Division for Public Administration and Development Management, UNDESA, and its partners can be found under [www.unpan.org](http://www.unpan.org).

Papers for an Interregional Workshop on Engaged Governance, organized by the Division for Public Administration and Development Management, UNDESA, in Sri Lanka, in December 2003, can be found online under [www.unpan.org](http://www.unpan.org). Further, there will be an International Conference on Engaging Communities, Brisbane, Australia, August, 2005, to be organized jointly by UNDESA and the State Government of Queensland, Australia. Two relevant online electronic sites for this event are [www.engagingcommunities2005.org](http://www.engagingcommunities2005.org) and [www.unpan.org](http://www.unpan.org).

Reference may be made here to [www.unpan.org](http://www.unpan.org) as a good source of the kind of activities and workshops that UN-DESA and its partners are engaged in support of the UN’s Development Agenda, including the MDGs, and particularly poverty reduction.
2. CONCEPT PAPER: EVALUATING PUBLIC POLICIES FOR POVERTY REDUCTION - TOOLS, TECHNIQUES AND PROCESSES

Tabitha W. Kiriti

2.1 INTRODUCTION

It is generally accepted that growth alone, even when it is increasing rapidly, is not sufficient for poverty reduction. The quality and source of growth, its distribution and the role of public policy determine whether the marginal increase in growth will translate to poverty reduction and in meeting the Millennium Development Goals. Issues of governance, institutions and civil society engagement are both an end and goal and objective, as well as pivotal to the Millennium Development Goals performance. Growth must be accompanied by pro-poor policies and civil engagement to ensure a more egalitarian distribution of income. The objective of this paper is to evaluate the public policies, tools and techniques used in poverty alleviation in Sub-Saharan Africa and linking them to the MDGs.

The paper starts with an overview of the recent trends in development in Sub-Saharan Africa. Poverty dimensions are then discussed. In section two, the seven Millennium Development Goals are discussed, the link between growth and poverty eradication provided and reasons given for the failure of growth not translating into poverty alleviation in Sub-Saharan Africa. Section three discusses the poverty reduction strategy papers linking them to the Millennium Development Goals and their success or failure in meeting the MDGs. Recommendations are provided in section four and in section five, conclusion is given.

2.2 RECENT TRENDS IN DEVELOPMENT IN SUB-SAHARAN AFRICA

Many SSA countries have faced difficulties in sustaining high economic growth rates resulting in great variability in economic growth from year to year. Zimbabwe’s economic growth rate declined to a negative 11.0% in 2003. It is worth noting that Kenya’s GDP growth rate did not rise above 1.4% due to investor uncertainties and infrastructure constraints as well as limited inflows of international financial assistance.

In Tanzania, estimates of the 2002/03-food crop production indicated a 10% decline compared to 2001/02 caused mainly by dry weather. Also, in Tanzania, an estimated 1.9 million people were in need of food assistance in 2003. Similarly, the food situation in northern and Eastern areas of Uganda deteriorated with the escalation of armed conflict although Uganda registered a GDP growth rate of 5.4%. In 2003, more than 820,000 people were displaced bringing the total number of those in need of emergency food assistance to more than 1.6 million. In Ethiopia, growth dropped from 5.9% to –4.2% in 2003 mainly due to the 2002 drought, which dealt a major blow to Ethiopia’s economy. The number of people who needed food assistance in 2003 was about 13.2 million (African Development Report, 2004).
Table 2.1 shows the recent trend in real GDP and real GDP per capita for a selected number of countries in Sub-Saharan Africa.

Table 2.1: Recent Trends in GDP in some Selected Countries in Sub-Saharan Africa

<table>
<thead>
<tr>
<th>Country</th>
<th>Real GDP Growth Rate (%)</th>
<th>Real GDP per Capita (US$)</th>
<th>Real GDP per Capita Growth Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>0.8</td>
<td>1.4</td>
<td>362</td>
</tr>
<tr>
<td>Uganda</td>
<td>6.3</td>
<td>5.4</td>
<td>244</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>5.9</td>
<td>-4.2</td>
<td>94</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>-8.3</td>
<td>-11.0</td>
<td>622</td>
</tr>
<tr>
<td>Tanzania</td>
<td>5.3</td>
<td>5.5</td>
<td>262</td>
</tr>
<tr>
<td>Namibia</td>
<td>3.0</td>
<td>3.7</td>
<td>1696</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>2.9</td>
<td>3.3</td>
<td>469</td>
</tr>
</tbody>
</table>

Source: Human Development Report 2004

The per capita GDP did not improve significantly and some countries like Kenya and Zimbabwe recorded negative growth. Among the countries considered, apart from Ethiopia and Zimbabwe which, recorded negative growth in GDP, the other countries (except for Uganda) showed improvements in economic performance.

Despite the restoration of macroeconomic stability and slight progress in economic growth in some countries, SSA still faces daunting challenges as it seeks to accelerate growth, reduce poverty and attain the Millennium Development Goals (MDGs). The present growth rates are still below what is needed to achieve the MDGs. A major challenge facing most countries is raising growth rates from the current 3.3% and sustaining them over the medium to long-term. As mentioned before, SSA’s economic performance is characterized by variability from year to year making it difficult to sustain the growth and recovering process in the long run.

Also, despite the relative improvement in economic performance and social development for some countries, especially those reforming, the overall levels for all countries in SSA in income and other social indicators remain very low. While some relationship exists between growth and improvement in social indicators, the level of social indicators in SSA is still too low. This can be attributed to deteriorating terms of trade, lower aid flows, HIV/AIDS pandemic, civil conflicts, poor governance and policy reversals. The average population growth rate has overtaken the real GDP growth rate meaning that growth in per capita income has been declining in the last three decades. The failure of SSA to register higher economic growth rates shows that not much progress has been made in poverty reduction. Econometric analysis of the relationship between growth and poverty finds that growth in income per person is associated with poverty reduction. However, the sources of growth in income and its distribution determine the interplay between poverty and growth. For example, in developing countries, agricultural growth has been seen to bring about greater declines in poverty indicators than growth in industry and services. Also, growth in the rural sector has also been found to have a greater impact on poverty reduction than urban-based growth.
Where there are inequalities in income distribution, then the responsiveness of poverty to changes in the growth rate will be slow. This shows that though growth is necessary for poverty reduction, it is not sufficient.

Economic growth is essential for sustained poverty reduction. The challenge for countries is how to accelerate it and at the same time make it broad-based for the greater benefit of the poor. Policies that promote economic growth and stability and at the same time lead to a rapid reduction in poverty are required.

2.3 DIMENSIONS OF POVERTY

Despite many years of fighting poverty, misconceptions still remain about the poor, why they are poor and what is needed to help them out of poverty. Poverty is a multidimensional fact of life and it manifests itself in various forms hence no uniform standard is available for measuring it. Poverty is widely viewed as lack of sufficient income. Income poverty therefore means lack of material well-being; lack of income to meet basic needs like food, shelter and clothing. Food poverty is measured by the per capita consumption of the required daily intake of the basic recommended calories per adult equivalent (2250 calories). Persons are said to be living in absolute poverty when their income is a dollar a day or less to meet food, shelter and other basic needs. There are currently 50 Less Developed Countries (LDCs) out of which 34 are found in SSA. Further, since SSA is composed of 45 countries this implies that about 75% of all SSA countries are LDCs. In terms of absolute poverty, SSA, of about 650 million persons, has the highest percentage of very poor people, that is, less than a dollar per day, which is of the order of 45% of the total, that is, 300 million. Most of these very poor people are found in rural areas and are women (Human Development Report, 2003).

2.3.1 Human Poverty

However, income poverty does not reveal other aspects of poverty, for example, life expectancy, illiteracy, access to water and sanitation and so on. Human poverty means that opportunities and choices most basic to human development are denied. Human poverty is more than income poverty as it involves the denial of choices and opportunities most basic to human development to lead a long, healthy, creative life, acquire knowledge, and enjoy a decent standard of living, freedom, dignity, self-esteem and respect of others. UNDP promotes the concept of human poverty as a complement to income poverty, emphasizing that equity, social inclusion, women empowerment and respect for human rights matters for poverty reduction. Human poverty not only manifests itself in the impoverished state in which a person actually lives but also lack of real opportunity due to social constraints as well as personal circumstances to lead to a valuable life.

2.3.2 Human Poverty Index

The Human Poverty Index (HPI) is a composite of the non-income measures of poverty. It focuses on the proportion of people below a threshold level of basic dimensions of human development – living a long and healthy life, having access to education, and a decent standard of living, much as the poverty headcount measures the proportion of people below a certain income level. Table 2.2 shows the Human Poverty Index for some selected African countries.
Table 2.2: Human Poverty Index in some Selected Sub-Saharan African Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Human Poverty Index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1998</td>
</tr>
<tr>
<td>Kenya</td>
<td>29.5</td>
</tr>
<tr>
<td>Namibia</td>
<td>26.6</td>
</tr>
<tr>
<td>Tanzania</td>
<td>29.2</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>30.0</td>
</tr>
<tr>
<td>Uganda</td>
<td>39.7</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>55.3</td>
</tr>
</tbody>
</table>

Source: Human Development Indicators

Countries like Kenya, Tanzania, and Namibia registered a significant decline in the human poverty index showing deterioration in the human poverty conditions, although their real GDP growth rates were higher than those in SSA.

2.3.3 Human Development Index

In terms of human development, SSA has not been performing well compared to other developing countries. The human development index (HDI) focuses on three measurable dimensions of human development: living a long and healthy life, being educated and having a decent standard of living. Thus, it combines measures of life expectancy, school enrolment, literacy and income to allow a broader view of a country’s development than does income alone. Table 2.3 shows the Human Development Index value of selected African countries.

Table 2.3: Human Development Index and other Data for Selected SSA Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Life Expectancy at birth 2003</th>
<th>Combined gross enrolment for primary, secondary and tertiary schools (%) 2001/02</th>
<th>Primary completion rate (%) 2000/01 2003/04</th>
<th>Ratio of girls to boys in primary and secondary 2000/01 2003/04</th>
<th>Adult literacy rate (%)</th>
<th>GDP per capita (PPP US$) 2002</th>
<th>HDI value 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Namibia</td>
<td>45</td>
<td>71</td>
<td>...</td>
<td>...</td>
<td>83.3</td>
<td>6210</td>
<td>0.607</td>
</tr>
<tr>
<td>Uganda</td>
<td>43</td>
<td>71</td>
<td>63</td>
<td>96</td>
<td>68.9</td>
<td>1390</td>
<td>0.493</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>39</td>
<td>58</td>
<td>81</td>
<td>95</td>
<td>90</td>
<td>2400</td>
<td>0.491</td>
</tr>
<tr>
<td>Kenya</td>
<td>45</td>
<td>53</td>
<td>73</td>
<td>94</td>
<td>84.3</td>
<td>1020</td>
<td>0.488</td>
</tr>
<tr>
<td>Tanzania</td>
<td>43</td>
<td>31</td>
<td>58</td>
<td>...</td>
<td>77.1</td>
<td>580</td>
<td>0.407</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>42</td>
<td>34</td>
<td>39</td>
<td>69</td>
<td>41.5</td>
<td>780</td>
<td>0.359</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>46</td>
<td>44</td>
<td>59</td>
<td>...</td>
<td>63.2</td>
<td>1790</td>
<td>0.465</td>
</tr>
</tbody>
</table>

UNDP: Human Development Report 2004

As shown in Table 2.3 life expectancy in SSA was only 46 years and the primary completion rate was only 59%. Adult literacy was only 63.2% while the combined gross enrolment for primary, secondary and tertiary schools was only 44%. Overall the HDI was only 0.465 compared to other countries like Norway, which had a HDI of 0.956 during the same period. However, it is important to remember that the concept of human development is much broader
and more complex than any summary measure can capture. The HDI is not a comprehensive measure since it does not include other important aspects of human development such as the ability to participate in the decisions that affect one's life and enjoy the respect of others in the community. The HDI measures average achievements in a country, but it does not incorporate the degree of gender imbalance in these achievements.

The next section looks at the Millennium Development goals and provides an analysis of how SSA countries have been trying to achieve them and linking them to the PRSPs.

### 2.4 MILLENNIUM DEVELOPMENT GOALS

At the Millennium Summit in September 2000, the United Nations General Assembly adopted the Millennium Declaration, which outlined measures necessary to attain peace, security and development. The Millennium Declaration, among other things, mainstreamed a set of interconnected and mutually reinforcing goals into the global agenda. They agreed upon 8 Millennium Development Goals (MDGs) and 18 targets and 48 indicators that would be used to measure progress towards those goals with a global target of 2015. Seven of these goals are:

- Eradicate extreme poverty and hunger;
- Achieve universal primary education;
- Promote gender equality and empower women;
- Reduce child mortality;
- Improve maternal health;
- Combat HIV/AIDS, Malaria and other diseases; and
- Ensure environmental sustainability.

The MDGs are hinged on two main principles: First, national ownership, where the processes and products for monitoring progress towards the MDGs must be nationally driven and inspired. Secondly, capacity development, where priority will be accorded to investments in capacity building for monitoring as well as the use of data for informed policy-making and programming.

Sub-Saharan Africa is not doing well in achieving the MDGs. At the current pace, SSA will not meet the goal for universal primary education until 2129 or the goal for reducing child mortality by two-thirds until 2106. The other goals for hunger, income poverty and access to sanitation, no date can be set because the situation in the region is worsening, not improving (UNDP, 2004). In terms of child mortality, Kenya and Zimbabwe performed poorly between 1990 and 2002 with child mortality increasing from 80 to 123 in Zimbabwe and from 97 to 122 for Kenya during the same period. For income poverty, the proportion of people living below the poverty line in Zimbabwe increased from 25.8% (1990-91) to 34.9% (1995-96), an increase of 9.1%.

In terms of human development, there were reversals in several SSA countries. The HDI in 13 SSA countries declined. Among them were Kenya, Zimbabwe, Tanzania and Zambia. Much of this decline is due to HIV/AIDS epidemic and its massive impact on life expectancy. Without significant changes, these countries experiencing reversals or stagnation in HDI have little or not chance of achieving the MDGs.
The next section looks at each of these goals and how far they have been achieved since 2000 in selected Sub-Saharan African countries and where necessary the Asian experience is given.

2.5 ERADICATION OF POVERTY IN SUB-SAHARAN AFRICA

The Millennium Development Goals call for reducing the proportion of people living on less than $1 per day to half the 1990 level by 2015 – from 29% of all people in low and middle-income economies to 14.5%. If achieved, this would reduce the number of people living in extreme poverty to 890 million.

Sub-Saharan Africa (SSA) today is a region where the number of people living in absolute poverty has reached close to half of the population, and this figure continues to rise. Social conflict continues to inflict heavy tolls on the region. This includes the loss of life, destruction of property, diversion of resources from investment, capital flight, disruption of the economy and redirection of government resources away from public services to military expenditure. Countries like Sudan, Somalia, Democratic Republic of Congo and so on, though peace looks promising, it will take time before the path of growth and development is achieved.

Sub-Saharan African countries must adopt policies and processes that aim at achieving the MDGs. This means designing and implementing economic development policies and processes that aim at generating a pattern of economic growth that is sufficiently broad-based and inclusive of all segments of society.

In 2000 about 300 million people in SSA were living on less than a dollar a day and this was 46.7% of the SSA population. During the same year, the population of undernourished was 185 million and primary age children not in school was 44 million. Due to inequality, there were 23 million primary school age girls not in school. Lack of proper medical facilities and diseases lead to the death of 5 million children under 5 years each year. During the same year, there were 273 million people without access to improved water sources and 299 million without access to adequate sanitation. It is very unlikely for SSA to reduce the proportion of people living in abject poverty and the number of malnourished children by 2015. Table 2.4 shows the incidence of income poverty in selected countries in Sub-Saharan Africa.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>45.0</td>
<td>43.84</td>
<td>52.32</td>
<td>47.52</td>
<td>42.0</td>
<td>50</td>
<td>52.0</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>52.6</td>
<td>…</td>
<td>45.5</td>
<td>31.3</td>
<td>…</td>
<td>44.2</td>
<td>44.2</td>
</tr>
<tr>
<td>Uganda</td>
<td>55.5</td>
<td>52.2</td>
<td>44.0</td>
<td>55.0</td>
<td>44.4</td>
<td>35.2</td>
<td>44.0</td>
</tr>
<tr>
<td>Namibia</td>
<td>…</td>
<td>…</td>
<td>47.0</td>
<td>34.9</td>
<td>-</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Tanzania</td>
<td>48.8</td>
<td>…</td>
<td>…</td>
<td>51.1</td>
<td>51.1</td>
<td>35.7</td>
<td>35.7</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>…</td>
<td>…</td>
<td>36.0</td>
<td>25.5</td>
<td>25.5</td>
<td>25.5</td>
<td>34.9</td>
</tr>
</tbody>
</table>

Source: Human Development Reports Various Issues

Estimates of the prevalence of income poverty in the six countries shows that Kenya has by far the greatest proportion of its population living in poverty. The incidence of poverty appears
to have increased from 45% in 1992 to 52% in 2001. For Uganda, it has been estimated that overall poverty declined from 55.5% in 1992 to 44% in 2001. This is quite an achievement.

In Tanzania, while macroeconomic stability and improvements in economic governance have done a great deal to restore confidence in the economy, poverty numbers suggest that the benefits are still not widely shared. The proportion of the population living below the poverty line is still very high. The gains in reducing poverty between 1991/92 and 2000/2001 are estimated from 48.8% to 35.7% of the total population but income inequality is rising.

The causes of rural poverty are landlessness, inadequate rains, poor soils, desertification, low agricultural yields, low incomes due to poor farm practices, lack of inputs and diminished employment opportunities. Poverty has also been rising in the urban areas due to rural-urban migration and lack of employment opportunities, for example, 44% of the population in Nairobi lived below the poverty line in 2003.

Globalization has also worsened the poverty situation in SSA. While globalization offers long-term opportunities, many African countries run the risk of being marginalized because their production structures are not well positioned to take advantage of the unfolding opportunities. For example, Africa’s share in world trade has declined from about 5% in the early 1980s to 2% in 2003. Lack of diversification and reliance on primary export commodities has meant that Africa has lost its export market shares to other countries in Asia and Latin America.

The incidence of poverty has been worsened by rapid population growth. Although it decreased to 2.5% in 2003 compared to 2.8 in 1980, the population growth in SSA is still one of the highest in the world with some in excess of 3%; for example, Uganda had 3.4% population growth in 2003. This has meant a reduction in per capita GDP whose increase is a prerequisite for eradication of poverty. Table 2.5 shows population growth rate in selected Sub-Saharan African countries between 1980 and 2003.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanzania</td>
<td>3.1</td>
<td>3.0</td>
<td>2.7</td>
</tr>
<tr>
<td>Uganda</td>
<td>3.2</td>
<td>3.1</td>
<td>3.4</td>
</tr>
<tr>
<td>Namibia</td>
<td>2.9</td>
<td>3.0</td>
<td>1.6</td>
</tr>
<tr>
<td>Kenya</td>
<td>3.7</td>
<td>3.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>2.7</td>
<td>2.9</td>
<td>2.5</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>3.5</td>
<td>2.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>2.8</td>
<td>2.7</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Source: World Population Data Sheet

The number of children per household in SSA remains quite high as the fertility rate stood at 5.6 in 2003 with countries like Uganda and Ethiopia having 7.0 and 6.1 children per woman respectively as shown in Table 2.6.
Table 2.6: Total Fertility Rate Per Woman in Selected African Countries

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanzania</td>
<td>6.7</td>
<td>6.3</td>
<td>5.6</td>
</tr>
<tr>
<td>Uganda</td>
<td>7.1</td>
<td>7.1</td>
<td>7.0</td>
</tr>
<tr>
<td>Namibia</td>
<td>6.4</td>
<td>5.8</td>
<td>4.9</td>
</tr>
<tr>
<td>Kenya</td>
<td>7.7</td>
<td>5.9</td>
<td>4.4</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>6.8</td>
<td>6.9</td>
<td>6.1</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>6.9</td>
<td>5.5</td>
<td>4.0</td>
</tr>
<tr>
<td>Africa</td>
<td>6.5</td>
<td>5.8</td>
<td>5.6</td>
</tr>
</tbody>
</table>

Source: Africa Development Report 2004

Poverty reduction can only be achieved through sustained and broad-based economic growth. However, growth alone is not enough. It should be complemented by efficient provision of social services like education, health care, clean water and sanitation, and nutrition.

In most SSA countries, the ratio of Gross Domestic Investment to GDP is around 16%. Such investment cannot result in adequate growth, so revising investment through increased mobilisation of resources (domestic and external) and increasing its productivity should be priorities in the quest to accelerate economic growth.

2.6 POVERTY REDUCTION: AFRICA AND ASIA COMPARED

The achievement of the MDGs necessitates progress in all major areas related to the well-being of the people, including poverty reduction and improvements in education, health, gender equality and the environment. Eradication of extreme poverty and hunger is at the forefront of the MDGs. Since PRSPs and targets to be achieved under the MDGs have different time horizons, the countries face the challenge of linking the targets under PRSPs and national poverty reduction measures with those required under MDGs.

Despite significant progress over time, poverty reduction continues to be a major challenge for many countries in Asia. Progress in reducing poverty has been uneven across and within countries. Like SSA countries, most countries have already developed their own national poverty reduction strategies and programmes. A number of them have also prepared or are in the process of preparing PRSPs as a framework for poverty reduction.

Income poverty is the most serious problem faced by many countries in SSA and Asia. Based on the dollar a day poverty line, more than two thirds of the world’s poor live in Asia. However, the incidence of poverty in Asia decreased from 37% in 1990 to 25% in 1999. As a result 225 million people were taken out of poverty over that period leaving some 767 million still living on less than one dollar a day in 1999. Poverty rates for SSA countries have been rising compared to Asian countries. Table 2.7 shows poverty rates for SSA and Asia from 1985 to 2001. South and East Asia maintained their high growth performance in 2003. In terms of growth of output, Asia performed particularly well compared to SSA. In 1999, Asia’s output grew by 6.2%, rising to 6.8% in 2000 and thereafter falling to 6.4% in 2003.

The performance of East Asia (including South-East Asia) in reducing poverty was much better than that of South Asia. The incidence of poverty in East Asia at 27.6% fell to 4% in 1999. In South Asia, the proportion of people living below the poverty line fell from 44% in 1990 to 26% in 1999.

However, regional data masks diverse performance by the countries. Using the one dollar per day poverty line, poverty has been virtually eliminated in Malaysia and the Republic of Korea. Between 1990 and 2002, poverty has been more than halved in China, Indonesia, Thailand and Vietnam. Therefore, these countries have already achieved the MDG of reducing poverty by half between 1990 and 2015. Table 2.8 shows poverty rates in some selected Asian countries between 1990 and 2002.

### Table 2.7: Poverty in Sub-Saharan Africa and Asia (1985-2001)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sub-Saharan Africa</th>
<th>East Asia</th>
<th>South Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Population below poverty line (millions)</td>
<td>Proportion of population below poverty line (%)</td>
<td>Proportion of population below poverty line (%)</td>
</tr>
<tr>
<td>1985</td>
<td>180</td>
<td>46.8</td>
<td>20.4</td>
</tr>
<tr>
<td>1987</td>
<td>217.2</td>
<td>46.6</td>
<td>26.6</td>
</tr>
<tr>
<td>1990</td>
<td>242</td>
<td>47.7</td>
<td>27.6</td>
</tr>
<tr>
<td>1993</td>
<td>273</td>
<td>49.6</td>
<td>25.2</td>
</tr>
<tr>
<td>1996</td>
<td>289</td>
<td>48.5</td>
<td>14.9</td>
</tr>
<tr>
<td>1998</td>
<td>290.9</td>
<td>46.3</td>
<td>15.3</td>
</tr>
<tr>
<td>1999</td>
<td>…</td>
<td>45.38</td>
<td>4.0</td>
</tr>
<tr>
<td>2000</td>
<td>323</td>
<td>46.7</td>
<td>-</td>
</tr>
<tr>
<td>2001</td>
<td>…</td>
<td>46.54</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: World Bank Reports - Various Issues

### Table 2.8: Poverty Rates in Selected Asian Countries

<table>
<thead>
<tr>
<th>Year</th>
<th>Poverty Rates (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>China</td>
</tr>
<tr>
<td>1990</td>
<td>31.5</td>
</tr>
<tr>
<td>1991</td>
<td>-</td>
</tr>
<tr>
<td>1992</td>
<td>-</td>
</tr>
<tr>
<td>1993</td>
<td>29.0</td>
</tr>
<tr>
<td>1994</td>
<td>-</td>
</tr>
<tr>
<td>1995</td>
<td>-</td>
</tr>
<tr>
<td>1996</td>
<td>16.4</td>
</tr>
<tr>
<td>1997</td>
<td>-</td>
</tr>
<tr>
<td>1998</td>
<td>16.1</td>
</tr>
<tr>
<td>1999</td>
<td>17.8</td>
</tr>
<tr>
<td>2000</td>
<td>15.4</td>
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<tr>
<td>2001</td>
<td>14.3</td>
</tr>
<tr>
<td>2002</td>
<td>12.7</td>
</tr>
</tbody>
</table>

The success of East Asian economies up until 1990s and China’s achievements in making major inroads in poverty reduction in the 1990s confirm how high levels of growth can induce broad-based development and reduce poverty within a relatively short period. Macroeconomic stability, openness to international trade, human resources development and rule of law account for the high economic growth in these economies. However, the East Asian crisis in 1997 highlighted the necessity for institution building to consolidate the above gains and avoid the pitfalls of liberalization. The question is whether economic growth itself can lead to poverty reduction and equality. World Bank (2001) suggests that macroeconomic reforms on average have little effect on income distribution. Economic growth is only a necessary but not sufficient condition for poverty reduction.

2.7 INCOME INEQUALITY

Dagdeviren, van der Hoeven and Weeks (2001) argue that growth alone is a rather blunt instrument for poverty reduction since the consensus of empirical work suggests that, without any special policy, growth is distribution neutral and hence will not accelerate decline in poverty. The conditions for growth and the degree of inequality are two key factors, which appear to determine the extent of poverty reduction, given the rate of per capita economic growth. Poverty reduction depends on the economic conditions that generate pro-poor growth. With a given rate of economic growth, poverty falls faster in those countries where inequality is lower. Dagdeviren, van der Hoeven and Weeks (2001) found that equal distribution growth raises three times as many households from poverty than distribution neutral growth over any time period. They also noted that low-income countries require a growth strategy, and for most, redistribution with growth would be more effective than status quo growth. There is a growing consensus that countries with an initial condition of relatively egalitarian distribution of assets and income tend to grow faster than countries with high initial inequality. This means that reducing inequality strikes a double blow against poverty. On the one hand, a growth path characterized by greater equality at the margin directly benefits the poor in the short run. On the other hand, the resulting decrease in inequality creates in each period an initial condition for the future that is growth enhancing. Thus any growth path that reduces inequality reduces poverty through redistribution and via trickle-down. However, if the elasticity of income share of the poor with respect to growth is positive, growth is good for the poor but the most important thing is what policy measures can make it better for the poor.

The Gini coefficient measures statistically the degree of inequality in the distribution of household income. The higher the coefficient, the more extreme is the observed inequality. Analysis of developing countries between 1985 and 1990 by Hanmer, Healey and Naschold (2000) showed that the countries fell into two groups. In the low-income inequality countries (average Gini coefficient = 0.34), 10% growth was associated with a fall in the proportion of people below the poverty line by 9%. In the high-income inequality countries (average Gini coefficient >0.55), 10% growth was associated with only a 3% reduction in poverty. Hence, high levels of income inequality limit the poverty reducing effects of growth. Higher growth and pro-poor policies will improve poverty reduction prospects in both high and low-inequality countries but high-inequality countries will need to grow twice as fast as low-inequality countries to halve poverty by 2015 (Ravallion and Chen, 2001).

Countries that fall into the high-inequality group will halve extreme poverty by 2015 only if growth is pro-poor and higher than it has been in the past (3.3%). High inequality countries
need over twice as much growth as low-inequality countries (7.1% growth per capita per annum), to reach the poverty target. Table 2.9 shows the Gini coefficient of six Sub-Saharan African countries using different survey periods.

Table 2.9: Gini Coefficient of Six Sub-Saharan African Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Survey period</th>
<th>Gini coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>1992</td>
<td>57.5</td>
</tr>
<tr>
<td></td>
<td>1997</td>
<td>44.5</td>
</tr>
<tr>
<td>Namibia</td>
<td>1993</td>
<td>70.7</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>1990</td>
<td>56.8</td>
</tr>
<tr>
<td></td>
<td>1995</td>
<td>56.8</td>
</tr>
<tr>
<td>Tanzania</td>
<td>1993</td>
<td>38.2</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>2000</td>
<td>30.0</td>
</tr>
<tr>
<td>Uganda</td>
<td>1999</td>
<td>43.0</td>
</tr>
</tbody>
</table>

Source: Human Development Report 2004

As Table 2.9 shows, Namibia had the highest Gini coefficient demonstrating very high levels of inequality. Other countries, except for Ethiopia, show high levels of income inequality. Policies to reduce high degrees of income inequality need to focus on the access to and distribution of assets, which determine income flows for the poor especially land. Where inequality is high, agricultural growth does not seem to reduce poverty so well. The potential for redistributive land reform is greater in countries with a high degree of inequality in land holdings and where there is political support for land redistribution. However, actual land reform programs being currently implemented in SSA generally worsens inequality as is happening in Kenya and Zimbabwe, so their design should be improved.

Also, greater equality of income is served by improving the productivity of the poor especially the skills of poorer groups (e.g., landless, laborers and marginal farmers), so they can better take up rural non-farm options or urban-oriented livelihood opportunities Dagdeviren, van der Hoeven and Weeks (2001) suggest that greater distributional equality provides a favorable initial condition for rapid and sustainable growth than distribution of current income and assets. They also suggest that redistribution of an economy’s growth increment is the most effective form of poverty reduction for most countries. The mechanisms and strategies they recommend to achieve the redistribution are progressive taxation, transfer payments, consumer subsidies, land reforms, human resource development and infrastructure and public works policies.

Cornia (2002) contends that successful poverty alleviation depends not only on favorable changes in average GDP per capita growth but also on favorable changes in income inequality. Unless the Washington Consensus evolves in a distributionally favorable manner in the years ahead, current inequality trends are likely to depress growth, reduce the poverty alleviation elasticity of growth, and prevent the achievement of the MDG of reducing the incidence of poverty to 15% by 2015. At the moment, the World Bank estimates that income per capita in the developing countries will grow at an average of 4% per annum until 2015. The impact of
such growth on poverty depends very much on the pattern of such growth and the extent of its inequality during this period. The Overseas Development Institute (ODI) estimated that if the projected 4% growth is accompanied by low inequality the MDG target could be met easily. In contrast, if the projected 4% growth is associated with high inequality, by 2015 poverty rates will still be in the vicinity of 20%. In the high inequality scenario, the MDG poverty target would be met only if the growth rate of income per capita reaches 9%, which is not feasible.

From the foregoing, widespread increase in inequality has proved detrimental to the achievement of poverty reduction goals in SSA. This is because large rises in inequality stifles growth, and also because for any given growth rate of GDP, poverty falls less rapidly in the case of a more unequal distribution than in the case of a more equitable one. In a number of countries, even when the economies are growing, there has not been a commensurate improvement in the quality of life of the poor sections of society. Poverty persists owing to inequitable distribution of benefits of growth. Successful poverty alleviation depends not only on favorable changes in GDP per capita growth but also on favorable changes in income inequality. The impact of growth on poverty depends very much on the pattern of such growth and the extent of its inequality.

Commitment to pro-poor growth therefore requires not only a firm commitment to the removal of the causes of inequality but also that alternative structural, macroeconomic, distributive, and external policies with a more favourable distributive impact are designed and incorporated in the development process (Cornia, 2002).

2.8 GOOD GOVERNANCE

Poor governance conditions diminish the potential impact of growth on poverty. To reverse the spread of poverty and improve human welfare, the present rate of growth in SSA would have to more than double. However, this would be impossible without the political and economic basis for sustained economic development, i.e. good governance. Good political governance requires that citizens have the means to hold their rulers accountable. It also requires responsive and responsible political leadership that respects the rule of law. It requires social reciprocities such that different groups within a country and their political leaders must transcend religious, kinship, ethnic, and racial differences. Good political governance establishes the basis for good economic governance, i.e. a state’s capacity to initiate, design, and implement policies that realize a shared development vision of accelerated growth and poverty reduction.

Most SSA countries have gradually embraced the norms of political and economic governance through multi-party presidential and parliamentary elections. Also, most countries have begun to improve economic governance mainly by acknowledging the role of the private sector in economic growth and they have also placed poverty reduction at the heart of the development process.

However, corrupt practices in the public and private sectors continue to distort free markets, hamper economic development and reduce the institutional capacity to deliver on public services. The impact of corrupt practices is far wider than in free markets. Also, most Sub-Saharan African countries lack expertise and institutional capacity to meet the challenges of globalization, and participate effectively in the global economy. Sub-Saharan African countries must build capacities in areas that support the functioning of political and economic governance and the activities of the private sector and civil society.
Ethnic allegiances dilute democracy in many SSA countries. For example, although most of these countries have a multiparty system of government, many MPs are still caught up in the country’s patronage system. Most of them are seen to be pursuing their own vested interests and do not contribute substantially to the development of an issue based political decision-making process. The political parties which play an important role in the parliament are still ethnic-based and do not contribute to national development issues. In Kenya, the recent incorporation of opposition MPs in government by the NARC government (government of national unity) has significantly reduced the strength of opposition parties in parliament.

Political parties are built around the personal ambition of individual politicians who are as a rule are also their main sponsors. Internal conflicts are mainly resolved by splitting up. In the case of political defeat, the losing faction leaves the party and creates a new one as it happens in Kenya. Hence most parties have no political programmes and no technical capacities in terms of policy analysis. MPs and parties are not elected on the basis of a programme but function as a link between the electorate of a given area and the national centres of power.

On the national and on the regional level, the political system is characterized by a high degree of clientelism, institutional and legal pluralism, politicisation of administration, rampant corruption and weak regulatory and implementation capacities. The SSA country’s heavy dependency on aid leads to rent seeking in both the economic and political spheres.

Many SSA countries are still struggling with instability and civil conflict. Corrupt practices in the public and private sectors, including fiscal fraud and tax evasion, continue to hamper economic development and hamstring the institutional capacity to deliver on public services.

State regulatory, fiscal, administrative and technical capacities remain inadequate in many SSA countries. Lack of expertise and institutional capacity to meet the challenges of globalisation, and participate effectively in the global economy, are the most critical of these. Some SSA countries are still under authoritarian rule and lacking popular participation and decentralization. They also lack transparent systems of financial supervision and legal accountability of public administration. Good political governance is a prerequisite for good economic governance (African Development Bank, 2001).

Without good governance, the spread of poverty cannot be reversed even if there was increased GDP growth rate. Good governance establishes the basis for good economic governance i.e., a states capacity to initiate, design, and implement policies that realize a shared development vision of accelerated growth and poverty reduction. Good governance enhances investor confidence. It is important to recognize the need to involve civil society, especially grassroots organizations by giving them a voice in decision-making and the means to participate effectively in the development effort.

Bribery and corruption have devastating effects on productive use of resources and economic development. Corruption violates public trust and corrodes social capital and leads to misallocation of resources, as well as impeding effective service delivery and undermines the legitimacy of the state. This in essence means that corruption undermines efforts to reduce poverty, and compromises sound and sustainable private sector development.
Civil society is defined as an autonomous space composed of civil associations that pursue public goals. Hence civil society organizations (CSOs) are not only non-governmental but also non-profit organizations and in most cases, civil society is identified with NGOs. Most SSA counties have many vibrant and active civil society organizations and many of them are very active in poverty reduction projects, HIV/AIDS sensitisation projects and so on. These NGOs attract a lot of resources from foreign donors and some of them have ended up misappropriating the funds. They lack transparent methods of using these funds. Civil society leaders often double as civil servants or politicians.

Effective use of resources promotes growth and reduction of poverty. The rise in new domestic and global NGOs dedicated to fighting corruption has helped reduce abuse of public office to some extent. Decentralization is viewed as a mechanism through which effective local governance is achieved. Decentralization policies have also increased the role of local organizations, including the role NGOs play in fostering local governance and empowering local communities. It is estimated that in some countries, NGOs provide 40-50% of the social services. NGOs have been viewed as effective instruments of empowerment of the disadvantaged. NGOs also provide technical, financial and material support to local people and this has enhanced local participation in development. However, most NGOs for example in Kenya have been accused of political intervention, arrogance and mismanagement of funds. The local NGOs have been misusing funds, while international NGOs indulge in political activities. Therefore the issue of governance also applies to NGOs. There is therefore need for a system or an effective legal framework for monitoring the activities of NGOs. Governments and Civil Society Organizations are complementary and genuine partnership should be created and enhanced. There should be a clear and comprehensive regulation framework for Civil Society Organizations in all countries.

Good governance must include; accountability of those in government to the governed; rule of law, and political systems that allow for popular participation in the decision-making processes. These are reflected in effective public administration systems, a functioning legal framework, and predictable regulatory structures and transparent systems for both financial and legal accountability. They also need to be reflected in special measures aimed at eliminating corrupt practices at all levels of government. Improving systems of governance is an essential measure not only for creating the necessary conditions for domestic resource mobilization, but also to attract foreign capital.

Effective implementation of institutional reforms and good governance are therefore essential to build up public and investor confidence and ensure equitable distribution of the benefits of growth and poverty reduction.

2.9 AID DEPENDENCY

The countries considered in this paper, except for Namibia are all very poor in terms of average living conditions. They are also highly indebted. However, most of the countries face a much more healthy situation in terms of their basic macro-economic balances than a decade ago but several still experience basic stabilization problems and periodic difficulties in their external financial relations including Kenya. Most have experienced growth but not enough to reduce poverty substantially or quickly. Research on the ability of states to translate a given level of GDP per capita into improvements in human development suggests that states which relay
heavily on aid are less effective than those that draw substantially on other income sources, such as general tax revenues (Moore, 1998; More et al., 1999).

Aid may have the effect of weakening accountability to domestic actors, which in turn may reduce effectiveness in poverty reduction. With project modality donor aid, donors result in building parallel management structures and separate accounting arrangements for their aid as a means of avoiding the inefficiency and unreliability of mainstream government procedures.

Donor funding for specific projects divert skills and attention away from mainstream processes of development management in a country, and undermines incentives for officials to spend time on reform and strategic thinking at the centre. Where projects are the dominant form of aid, real national ownership of poverty reduction efforts is most unlikely to be achieved. Effectiveness in meeting poverty reduction goals is likely to be reduced as a result.

Additional aid to SSA countries is required to raise their growth rates and increase their spending on health, education, and water and sanitation services. For this to be successful in reducing poverty, SSA countries should avoid policy reversals and institutional setbacks.

Development partners should harmonize their procedures and instruments for the shared objective of poverty reduction. In most cases, the diversity of donor-driven programs has strained government capacity to respond to demands for reports as mentioned by the outgoing British ambassador to Kenya on KTN TV on 1st June 2005. For example, in the late 1990s, the multi-lateral development banks alone required some 9000-audit reports annually from client countries.

2.10 POVERTY REDUCTION STRATEGIES AND MDGs

The traditional approaches to development through national planning and structural adjustment have had little impact on poverty reduction in SSA, as the central theme of such policies had been growth and stability and not poverty reduction. In addition to sustained growth, measures designed specifically to increase access to economic opportunities for the poor are necessary if the benefits of growth are to be distributed evenly and poverty is to be eliminated on a sustainable basis.

Most Sub-Saharan African countries have had problems servicing their external debts and debt has been singled out as a principal cause of poverty in these countries causing suffering and misery to many and hampering development on the level of national economies. The increasing concern over the failure in the fight against poverty and the continued deterioration of poverty and inequality prompted an intense re-examination of development and debt strategies in the 1990s. The Heavily Indebted Poor Countries (HIPC) initiative was first launched in 1996 by the IMF and the World Bank, with the aim of ensuring that no poor country faces a debt burden it cannot manage.

The 1999 Kohn Debt Initiative, which broadened the scope of the Heavily Indebted Poor Countries Initiative to provide a greater focus on poverty reduction by releasing resources for the investment in health, education and social needs, marked a major shift in the approach to development financing, in particular by multilateral lending agencies. These changes were
reflected in the agreement in 1999 by the World Bank and the IMF. The agreement linked debt relief to the establishment of a poverty reduction strategy based on a new policy instrument, the Poverty Reduction Strategy Paper (PRSP), for all countries receiving concessional assistance from these institutions. The poverty reduction strategies are expected to guide the use of resources freed up by debt relief under the enhanced HIPC Initiative.

The 18 countries, 14 of them in Africa had reached completion point status within HIPC arrangement, meaning that their governments had satisfied many of the conditions demanded by the World Bank and IMF in order to qualify for debt relief. The countries in Africa that qualified for debt relief were Benin, Burkina Faso, Ethiopia, Ghana, Madagascar, Mali, Mauritania, Mozambique, Niger, Rwanda, Senegal, Tanzania, Uganda, and Zambia. The countries that got debt relief are supposed to spend the debt relief on education, health care, agriculture and infrastructure, which fall within the framework of poverty reduction. Debt has a significant effect on global poverty by drawing funds needed for infrastructure investment, health care, education, agriculture and so on, which is then used for debt repayments.

The PRSPs provide a development framework, which focuses on, in addition to macroeconomic stability in an open economic setting, mainstreaming the poor into the development process through capacity building. The PRSPs are based on five core principles: They are country driven with broad-based participation by civil society and private sector; results-oriented with a focus on targeted poverty outcomes; comprehensive, i.e. recognizing the multidimensional nature of poverty and partnership; partnership-oriented with coordinated participation of development partners; and lastly, they take a long-term poverty reduction perspective.

The operational framework under the PRSP approach focuses on mainstreaming macroeconomic stability; structural, regulatory and institutional reforms; mainstreaming of the poor including women into the development process through empowerment, provision of opportunities and enhancing security; provision of social safety nets for vulnerable groups; improving governance; and protecting the environment.

By the end of 2003, 8 countries in Asia among them Vietnam and Sri Lanka had completed PRSPs. Most Sub-Saharan African countries have also developed the PRSPs.

2.10.1 Have the PRSPs Succeeded in Poverty Reduction and Meeting the MDGs?

The answer is No. Most nations implementing PRSPs have not adequately reconfigured their macroeconomic policies to create the conditions required for rapid and sustained poverty reduction. The PRSP timeline is too short and the policy thrust is too embedded in conventional fiscal and monetary concerns to favour human development.

**Sectoral Reforms and Fiscal Policy**

Agriculture has the highest potential for growth and poverty alleviation in the short-term and medium-terms in Asian and SSA countries as the majority of the poor live in rural areas and draw their livelihood from agriculture. Providing access to real assets, in particular land, plays an important role in poverty reduction efforts. Hence, policy towards land has an important bearing on poverty reduction.

Land-market reforms, together with provision of credit especially micro-finances, and rural infrastructure development could bring large benefits to the poor as it not only raises the
productivity of land but also that of labour. Improving access to land through land-market reform and enforcement of land property rights could reduce transaction costs and improve access to bank credit as land could be used as collateral. China benefited from agricultural reforms and is a good example from Asia. These policies enabled China to reduce the incidence of rural poverty significantly. However, in most SSA countries, emphasis is still on industrialization and continued neglect of the agricultural and rural sector where the majority of the poor are found.

A healthy financial system is vital for capital accumulation, productivity improvement and economic growth. However although stated in most PRSPs, the financial system in many SSA countries and the Asian region lack proper infrastructure, lack competition due to state interference and dominance and frequent public intervention leading to inefficient mobilization and allocation of financial resources. A strong and supportive regulatory environment should accompany restructuring of state banks. Private sector involvement in rural financing needs to be facilitated through rules and regulations that encourage competition and debt recovery.

The level of fiscal reform in PRSPs could negate the developmental objective of fiscal policy if such reform leads to cuts in public investment or social expenditure especially on health and education. SSA countries need to focus on raising revenue through efficient tax administration though this is a weak point in SSA countries and in some countries in Asia due to tax evasion, corruption, and a small tax base.

Privatisation of public enterprises has resulted in the conversion of public sector monopolies into private ones, hence negating the benefits of competition and efficiency. In most cases, the sale of such assets is mainly to foreign entrepreneurs hence reducing the capacity of these countries in building up a competitive local entrepreneurial class.

In most of the SSA and Asian countries, there is no link between fiscal policy and sectoral reforms. For example, downsizing of the civil servants should go hand in hand with a transformation of the labour market to make it more flexible and able to absorb such shocks and minimize their impact on the poor sections of society.

A well functioning labour market plays an important role in a market economy. However, in many SSA countries and some Asian countries, the potential for private sector led growth has been hampered by rigid labour markets, which is reflected in low labour productivity. This inflexibility becomes a constraint on growth and employment during structural transformation by interfering with enterprises’ ability to adjust to changing market conditions. Expanding populations, employee lay-offs and dislocations through privatisation of public enterprises, public service reforms and private sector responses to market behaviour, the increasing share of the ageing population and budgetary constraints add further pressure to the need for labour market reforms in SSA and some Asian countries. Most PRSPs in these countries do not address effective social safety nets for those affected by labour market reforms.

2.10.2 Governance

Many PRSPs acknowledge the key role played by institutions in growth and development and focus on institutional reforms, including good governance. Such policies include adopting modern and credible legal and regulatory frameworks, property rights and internationally accepted standards and codes. Governance issues have been emphasized in several PRSPs
in both Asian and SSA countries. Among the policy strategies proposed in this respect are strengthening anti-corruption laws and authorities and development of checks and balances for improved transparency and accountability, strengthening the rule of law and order and ensuring the fundamental rights of people. However, many countries in Asia and SSA continue to suffer from poor governance, which is reflected in the corruption perception index (http://www.transparency.org).

The dominant culture in SSA countries is that of rent seeking. This extends from mismanagement of government funds, from central government down to provincial and district administration. Government activities are strongly linked to patronage politics at all levels, which impacts negatively on policy implementation, affecting domestically and donor-funded projects.

The extensive political patronage network has over time used government development funding to sustain certain pro-establishment politicians who are seen to be more development conscious and to weaken political rebels by making them seem unable to bring development projects in their areas of jurisdiction. So the use of poverty funds for example the Constituency Development Fund2 in Kenya, in poverty reduction efforts may be diverted into other correct areas especially if the funds are factored into the budget. The key constraints to reforming SSA countries public financial management, remains lack of strong commitment from political leaders who wield immense power to influence the country.

**Infrastructure**

The development of infrastructure, both urban and rural, is essential for enhancing a country’s capacity for socio-economic development. Rural infrastructure should include feeder roads, access to safe drinking water and sanitation, electrification, and irrigation. Given the fluctuations of rainfall, irrigated agriculture could develop to become an important means of increasing and stabilizing agricultural production and incomes. More emphasis should be placed on small-scale, easy-to-manage irrigation schemes, many of which will directly benefit the rural poor. Rural infrastructure development constitutes an important element of poverty reduction efforts in almost all PRSPs in both SSA and most of the Asian countries.

**Community Participation**

In PRSPs, domination by government officials in most SSA countries for example, Kenya, limited the space for the people to air their views freely. Most country’s MPs involvement was limited. Although many NGOs were implementing the consultation process, most of them were completely ignorant of its purpose. Because of the fear that Non-governmental Organizations (NGOs) and civil society activities could undermine the power of the politicians at the grassroots, there is usually considerable friction for example in Kenya, between the politicians, the civil service and the NGOs and civil society organizations.

Building the capacity of the poor is a key component of any sustainable poverty reduction strategy, as it would allow mainstreaming of the poor into the development process. Strategies to facilitate empowerment of the poor include provision of basic education and skills and

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2 Money disbursed to members of parliament to use on the projects of their choice in their constituencies.
increased access to land through reforms. However, strengthening the participation of the poor in decision-making and political processes as a strategy to empower the poor has not received adequate attention in most of the PRSPs.

2.10.3 Provision of Opportunities
The provision of opportunities is a central theme in capacity building of the poor. Such opportunities place the poor on an equal footing to exploit the advantages of globalization and market-based domestic economic structures. The PRSPs give the poor opportunities through measures such as facilitation of micro-financing, promotion of SMEs and self employment, rural infrastructure development, facilitation of urban-rural linkages, provision of scholarships and bursaries to students in remote areas and so on. However, the PRSPs are silent on the issue of equal access to employment in both the public and private sectors.

2.10.4 Women Empowerment
A majority of PRSPs have focused on empowering of women as a development strategy, particularly in reducing broader aspects of poverty. Improving access to resources, economic opportunities and decision-making processes strengthens a country’s ability to grow, escape from poverty and improve standards of living. Moreover, increasing gender equity can have a positive effect on productivity and the human capital of the next generation. The PRSPs acknowledge that growth alone will not result in a more equitable society and that institutional arrangements and policy measures are necessary to provide equal rights and opportunities for both men and women. Most PRSPs put emphasis on improving access to education, employment and financial assets and decision-making processes. However, they place little emphasis on addressing gender inequality in the provision of health care and access to real assets such as land.

2.10.5 Safety Nets
Social divisions and internal conflicts have become a major reason for high levels of poverty in certain countries in SSA and in Asia. Evictions of the poor from slums (for upgrading) and forests without providing an alternative, leaves them homeless and entrenches the patterns of poverty, discrimination and social exclusion. The evicted people suffer lost income, damaged or destroyed assets, but also broken social networks, compromised livelihoods and lost access to essential services. Added to this are injuries sustained as a result of the violence of the evictions and the new risks in the locations to which the evictees move, where they often live on the roadsides, in tents and plastic shacks, with no provision for services. Providing social safety nets for internally displaced persons should be a major element of poverty reduction strategies in those countries.

Environmental Degradation
Environmental degradation has adverse implications for sustainable development. Such environmental effects have a disproportionate negative impact on the poor as their livelihood greatly depends on natural resources. It is estimated that about 11% of illnesses and premature deaths in developing countries are due to environmental health risks from water and poor sanitation and from urban and indoor pollution (World Bank, 2003). Economic growth is unlikely unless issues relating to environmental degradation are addressed. However, the PRSPs of some countries in both SSA and Asia do not sufficiently address environmental issues.
2.10.6 Lack of Capacity

Since the introduction of country-owned poverty reduction strategies as a new approach to the challenge of reducing poverty in low-income countries, PRSPs have received widespread acceptance by governments and development partners. However, for many SSA countries, the development of broad-based national poverty reduction strategies is a process of learning by doing (IDA and IMF, 2002). Lack of capacity at the national level, the difficulty in incorporating socio-economic and external uncertainties into forecasting the political sensitivity of certain policies and pressure from lobby groups, the lack of a coherent relationship between certain policies and poverty reduction and the tendency to be biased towards achieving macro-level performance criteria at any cost could derail efforts to achieve certain MDGs.

Lack of technical and financial capacity may have constrained many countries in developing an effective and comprehensive poverty reduction strategy. Some of the SSA countries do not focus on the root causes of poverty and even where causes of poverty such as landlessness, unemployment and gender gaps are identified, they do not receive adequate focus on the policy agenda for poverty reduction. The lack of a proper assessment of poverty makes poverty reduction strategies ineffective and the socio-economic outcomes of policy actions could deviate heavily from desired goals. The prioritisation of policy strategies need to be strengthened to ensure that policy strategies are effectively implemented taking account of financial resource constraints as well as limitations in absorptive capacity.

2.10.7 PRSPs Ownership

There is an inherent tension in the design of a World Bank/IMF-driven initiative involving conditionality that is simultaneously meant to foster a country-driven process. This has led to a lot of problems in implementation since there is no mechanism or guidance to adapt the initiative’s processes and requirements to differing country conditions, especially weak public sector capacity. As such countries have focused more on completing documents, which give them access to resources, than on improving domestic processes. Also, there are no intermediate milestones for what the principles are expected to achieve, which makes it difficult to assess progress. This lack of clarity has led to different and sometimes incompatible expectations among stakeholders.

Village or community-level perspectives need to be incorporated more systematically into poverty reduction planning and implementation processes. Priorities for poverty reduction programmes should be aggregated up from individual to community to region to nation, with the focus at each level being on the provision of public goods and services that impede progress at lower levels.

Meeting the MDGs can only succeed if there is strong programme ownership, which involves the participation of stakeholders in both the design and implementation. Most PRSP documents do not explore very well how the prioritised actions have been in the past. The critical intervening variables have not been identified so it is not clear what the critical things are that need to be monitored. The PRSP initiative and the incentives put in place around it are not sufficient to generate full ownership, even in terms of the process. This has compromised the effectiveness and sustainability of the initiative. Sometimes even knowledge about the PRSP and MDG does not extend very far outside the finance and planning ministries since knowledge is concentrated with the technocrats.
Most of the MDGs, if achieved by the target dates, they would significantly decrease poverty and bring multiple benefits to hundreds of millions of the urban and rural poor. Most discussions on how to meet the MDGs are not about changing the way development assistance is provided. The rural and urban poor, whose poverty is the main justification for this whole process, are hardly involved. Their knowledge, resources and capacities are hardly tapped and often not even acknowledged as others define their priorities. The rural and urban poor have little chance of gaining support for what they would define as their needs and priorities. Development is still something that professionals and development institutions do for them, and interventions are designed and implemented by intermediaries over whom they have little or no influence. Professionals are not well equipped to work with the rural and urban poor.

Where there is some element of national ownership and involvement of some civil society groups, these processes are still distant from the squatter and slum settlements and villages where the deprivations occur. The civil society groups are not chosen by the poor whom they claim to represent and so they are not accountable to them. Hence the regional or national consultation involving some civil society groups is a weak kind of participation.

There is little discussion of the changes to institutional structures and funding flows in official donor agencies that would allow direct influence by low-income groups and their community organizations, and direct support to them. Despite the claim that poverty reduction strategy papers support participation, in reality, few of these have recognized these urban and rural poor organizations as potential partners.

The civil society in Tanzania was critical of the PRSP process. They acknowledged weaknesses in the process especially lack of organizational capacity and poor familiarity with national policy issues. The ownership of the PRSP is questionable since the idea of the PRSP was not conceived in SSA countries but in Washington. The World Bank management’s process for presenting a PRSP to the Board undermines ownership. Stakeholders perceive this practice as “Washington signing off” on a supposedly country-driven strategy. The Joint Staff Assessments’ analytical quality and coverage are mixed, and they are not widely shared with national stakeholders. These shortcomings limit their usefulness both as assessments of the PRSP as a basis for Bank support and as a feedback tool for the country. Also, the commitment to implement the PRSP is questionable due to the fact that these projects are continuously based on donor funding and if donor funding is withdrawn, they collapse.

Despite the fact that PRSPs are claimed to be owned by countries themselves, the policy strategies hardly reflect national ownership. The objective of having a PRSP is mainly to qualify for debt relief and financing. The PRSPs are even supposed to be cleared by the World Bank and IMF. As such governments are indirectly compelled to prepare policy agendas that satisfy the requirements of the World Bank and IMF rather than focusing on strategic issues which are relevant to their national economies.

Consultations with civil society are aimed merely at satisfying the requirements of the consultative process and are usually done at the last moment, which provides little room for incorporation of their concerns into policy formulation. In many cases, except for Tanzania, PRSPs are not translated into local languages, making the consultative process useless.
2.10.8 Focus of PRSPs on Stabilisation and Growth and not Poverty Reduction

Most PRSPs do not consider the full range of policy actions required for growth and poverty reduction. They focus largely on public expenditures, and pay more attention to social sector spending than on infrastructure, rural development, and other areas with poverty reduction potential. More analytical work is needed about how development policies and programs can best lead to poverty reduction.

Although policy proposals in PRSPs include direct poverty reduction strategies, the focus is not on poverty reduction but macroeconomic stabilization and growth since the PRSPs are linked to external financing. As the main objective of PRSPs is poverty reduction, more emphasis should be given to policies aimed at poverty reduction through broad-based growth.

External partners have supported PRSP formulation, but neither donors nor the World Bank have defined specifically whether or how they should change the content of their programs to reflect PRSPs. The donors have just changed their processes through increased participation in budget support and streamlining performance monitoring.

2.10.9 Weak link between PRSPs and MDGs and Budgetary Process

The relationship between PRSPs and MDGs is weak because poverty reduction strategies focus on a medium term span of 3-5 years, while the MDGs are set for 2015, a long-term target. Although some SSA and Asian countries spell out their long-term goals and in certain cases link them to the MDGs, such long-term projections are mere goals they wish to achieve without any strong underlying commitment or policy approach. The PRSP targets could be directly linked to the MDGs through intermediary targets set in PRSPs.

In many instances, macroeconomic frameworks emerging from PRSPs and those used for national budgeting processes are not closely linked. In some PRSPs, the medium-term expenditure framework is not well linked to the PRSP or the budget. Except for a few cases, the members of parliaments in the respective countries do not appear to have played a significant role in the PRSP process. For example, in Kenya the members of parliament boycotted the PRSP process. The weak link between policy frameworks under PRSPs and the national budgets can nullify efforts to meet the MDGs as policy actions could deviate from proposed policy agenda.

Policy strategies are not sufficient to achieve goals; they must be followed by actions. Integrating the PRSP as an important input in to the government decision-making and budgetary process is vital for the effective implementation of policies aimed at broad-based poverty reduction as it enables policy design and costing of policy strategies to be matched with government priorities.

2.10.10 Monitoring and Evaluation

The development of country-specific indicators and monitoring systems to track them is still at a preliminary stage in most SSA countries. The information gathered is generally not linked to decision-making. Capacity constraints continue to be a major problem in effective monitoring and evaluation of poverty reduction strategies in many PRSPs. Although some countries have proposed the establishment of separate units or teams for monitoring and evaluation, proper
monitoring systems are yet to be developed. The international community can be of much help to SSA countries in poverty eradication by providing technical assistance for capacity building especially for monitoring and evaluation of PRSPs and making them more MDGs friendly. They could also be of help in bridging the financial gap in the resources needed to undertake poverty-related development policies.

2.10.11 Public Role and Modes of Conduct

Most SSA countries whose poverty rates worsened have PRSPs. Their goals typically include sustainable growth, macroeconomic stability, good governance, and human development, improving quality of life of the poor and increasing the ability of the poor to raise their own incomes. While components such as school building targets, or safety net supports are quite precisely specified and costed, the changes in public roles and modes of conduct required in order to facilitate the poor to conduct their own routes out of poverty are barely considered. The enabling environment that is required in order to facilitate pro-poor growth and widen the asset and activity options of the poor and the delivery of services such as appropriate advice on agricultural technologies to the rural poor is very difficult of quantify and cost. These do not require the same scale of donor funding as education, roads or health but without progress in them, the outcomes for poverty reduction may be less impressive than hoped.

2.10.12 Poor Coordination and Fragmentation of Policy

The success of the PRSP depends on the progress in government reform programs, improvements in the quality of public sector performance and on improved budgetary accountability. Policy-making for poverty reduction should take the form of a country led strategy process, in which government engages in dialogue with other constituents of the national society, resulting in greater ownership of the decisions taken. It should be results or outcome oriented, starting from an analysis of poverty and its causes and working backwards to the design of appropriate policies. The thinking should be comprehensive in its coverage of different macro, sectoral and cross-sectoral issues that affect poverty reduction processes and prospects (Booth, 2003). The failure to achieve the MDGs through PRSPs may be due to poor coordination both between different centers of decision-making, and between the formulation and implementation of policies.

Fragmentation of policy processes means that there is a general tendency for cabinets not to function as effective decision centres with joint responsibility, for example, in Kenya where the National Rainbow Coalition (NARC) cabinet is so divided that most times one wonders how the government is able to function with such differences. Although decisions may be taken, there is no guarantee that they are in principle with each other. There also exists a gulf between policy formulation and implementation, with implementation constraints and past failures not generally feeding back into an appreciation of what might constitute a good policy.

Before the PRSPs, Kenya had created a Poverty Eradication Commission in the Office of the President and Tanzania a National Poverty Eradication Division in the Vice-President’s office with the purpose of receiving donor funding. These poverty policies were not integrated with macroeconomic framework or linked institutionally with the budget and the overall management of public expenditure.
2.11 UNIVERSAL PRIMARY EDUCATION

Education is an important component of human capital development. This is especially significant for the Sub-Saharan African countries to promote primary and secondary education. Education not only contributes to productivity growth especially agriculture, but also lowers the fertility rate and promotes the participation of women in the labor force.

The MDGs set 2015 as the deadline for all children to complete a full course of primary schooling. Since 1990, 17 developing countries have seen completion rates decline in low-income countries of South Asia and Sub-Saharan Africa. As a region, SSA is not currently on track to meet the MDG of universal primary education by 2015. Currently, in SSA, only 59 percent of eligible children complete school (Table 2.3).

In Asia, majority of the countries enjoy near universal adult literacy and youth literacy is nearly universal. For example, Malaysia had 88% adult literacy and 98% youth literacy in 2001. China had adult literacy and youth literacy of 86% and 98% respectively during the same year. The Republic of Korea had 98% and 100% adult and youth literacy respectively.

Life expectancy has also increased for the majority of countries in Asia while infant mortality rates have come down significantly since 1980, which has helped life expectancy to rise. For example, infant mortality rates fell from 79 in 1980 to 35 in 2001 in Indonesia.

Although enrolment rates in SSA, especially at the primary level have been increasing due to free primary education in some countries, the contribution of education to growth and development is not obvious. Nevertheless, this does not mean that education has little impact on growth. The quality of education is very important. High teacher-to-pupil ratios, lack of adequate training and low salaries for teachers leading to low morale, lack of teaching materials, corruption and so on all contribute to the low quality of education in SSA. So policy should not only emphasize provision of education but should also insist on quality. To increase primary school completion rates and to enhance the contribution of education to economic growth and development, training of teachers should be emphasized to increase the teacher/pupil ratio; more classrooms should be built; teaching materials increased and proper remuneration given to boost the teacher’s morale. To achieve this MDG, there is need to increase the national primary school budget and to reduce repetition rates.

2.12 PROMOTING GENDER EQUALITY

In both Asia and SSA, social and cultural factors inhibit the full participation of women in various walks of life. As a result, gender inequalities continue to persist in several countries in both SSA and Asia. However, in Asia, at the primary level, gross enrolment ratios are approaching 100%, which means that differences between male and female enrolment ratios are disappearing. Despite this, male-female gaps in enrolment ratios at the secondary level are much more pronounced, particularly for most countries in South Asia and SSA. At the tertiary levels, overall enrolment ratios are generally low in both regions. Adult literacy rates are generally lower for females than for males in many countries in both Asia and SSA. For example, in 2002, the adult literacy for females in Kenya was 78.5% against 90% for males. In Nepal, the female literacy was 26.4% as compared to 43% for males during the same year (Human Development Report, 2004). The MDGs call for eliminating the enrolment gap
between girls in primary and secondary education by 2005 and at all levels by 2015. Most SSA countries have not yet achieved the first target by 2005 and it is highly unlikely for them to achieve the second by 2015.

The UNDP gender empowerment measure (GEM) reveals whether women take an active part in economic and political life. It focuses on gender inequality in key areas of economic and political life. It tracks the share of seats in parliament held by women; female legislators, senior officials and managers and of female professional and technical workers. It also tracks the gender disparity in earned income, reflecting economic independence. The GEM for most SSA countries cannot be calculated because of lack of data.

In Africa, women comprise the largest single segment of the poorest in most countries. Women have multiple responsibilities of childcare, food provision and preparation, and home management. They have also taken up the role of breadwinners in cases where they are the de facto heads of households due to absence of husbands. The vast majority of Africa’s women find their total livelihood within agriculture and the informal sector. In Africa, women account for 60% of total agricultural output and over 70% of food production. Most women in informal sector employment are concentrated in low-semi-skilled and non-skilled jobs. Women’s representation in technical and professional fields is still limited. This is as a result of socialization practices that emphasize the primary role of women as mothers and wives and influence girl’s expectations for future participation in the labor force and choice of career paths. These socio-cultural constraints prevent women from gaining access to assets hence hindering their production capacity.

Economic empowerment for women not only ensures their own improved well-being but improvement in the lives of their families as well. In some African countries, for example, Kenya, although female to male ratio in primary and secondary school is almost equal, there is a major gap in enrolment in tertiary institutions. It is important for policies to target cultural, community and household based impediments to this phenomenon. Provision of facilities and infrastructure to the informal sector, provision of financial credit at affordable rates and growth of the rural agricultural sector can empower women. Giving special incentives to firms that employ women would also help in increasing the number of women working in the formal sector. It is also important to address regional variations in literacy levels if the MDG of achieving 100% equity between males and females is to be achieved.

Women representation in top decision-making bodies is lacking in many countries in both Asia and SSA. This is evident in the proportion of seats held by women in national parliaments. In both regions, the proportion of seats held by women is still less than 10%. These gender disparities have been acknowledged in the MDGs and one of the eight goals specifically calls for the promotion of gender equality and the empowerment of women.

The involvement of women in positions of decision-making both in government and private institutions still remains a big problem in SSA countries, yet for effective promotion of gender equality, more women need to occupy such positions. For example, in 2003, Kenyan women held 8% of the seats in parliament; Tanzania, 21.4%; Namibia 21.4%. Women also comprise an insignificant number in high-level professions, technical work and also, there are very few female administrators and managers. This shows that despite the fact that many governments have adopted and adapted affirmative action measures and the rhetoric of gender equality,
women constitute nowhere near half of the personnel in decision-making structures although women are around half of the global population. The threshold of 30% advocated by the UNDP Human Development Report (1995) as a prelude to the 50% is still a dream for most women. Without the active participation of women and the incorporation of women’s perspectives at all levels of decision-making, the MDG of equality cannot be achieved.

To reduce poverty, it is important to remove the constraints that impede women’s productivity. This would involve investing in women’s health and education since these have positive impacts on reducing fertility, improving health and welfare of children, reducing health costs, enhancing women’s earning capacity and opportunities in the labor market and hence contributing to economic growth and poverty reduction. This means that there should be a policy of mainstreaming a gender perspective in all policies and programs so that, before decisions are taken, an analysis is made of the effects on women. Although most countries have adopted the policy of gender mainstreaming in their PRSPs, its effects are yet to be seen. The promotion of gender equality is expected to contribute to the achievement of several goals at the same time. Therefore, a general policy framework is required to reduce the marginalisation of women, helping them to participate effectively in economic, political, and social life and increasing their involvement in the development of policies that affect their lives.

There is need for gender sensitive budgeting to restructure and target the allocation of public expenditures to promote women’s economic opportunities, ensure equal access to productive resources, and address the basic social, educational, and health needs of women and cultural biases against women should be discarded through public education programs emphasizing equality. Only then can the goal of equality be achieved.

2.13 INFANT MORTALITY RATES

Poverty is also widespread among women and children. The illiteracy rate remains higher for women than men. In health-care, the incidence of malnutrition tends to be higher among children than among adults, and in emergency situations, children also suffer more than adults.

Deaths of infants and children in the world decreased rapidly from 15 million in 1980 to about 11 million in 1990. However, in the 1990s, progress slowed especially in parts of Sub-Saharan Africa where infant and child mortality rates increased. The WHO estimates that more than two-thirds of these deaths from a combination of malnutrition and disease are readily preventable through public services and through vaccination. However, in some SSA countries, vaccination coverage has been on the decline and in 1990, 55 countries had not attained 80% coverage of measles of children under one year.

The infant mortality rate in SSA stands at 91 per 1000 live births in 2003 but this masks increases in mortality rates in some countries due to the worsening quality of health care, the rising incidence of AIDS, and deterioration in the level and depth of poverty. Death rates, especially during childhood and those related to pregnancy and delivery can be used to evaluate a country’s level of socio-economic development and quality of life. For example, the infant mortality rate for Tanzania increased from 98 to 100 per 1000 live births between 1990
and 2003 while in Kenya, it rose from 68 to 79 during the same period. Table 2.10 shows the infant mortality rates for selected African countries.

Table 2.10: Infant and Under 5 Mortality Rates for Selected African Countries (1980 – 2003)

<table>
<thead>
<tr>
<th>Country</th>
<th>Child malnutrition (%) underweight</th>
<th>Infant mortality rate (per 1,000) 2003</th>
<th>Infant mortality rate (per 1,000) 1980</th>
<th>Infant mortality rate (per 1,000) 1990</th>
<th>Under 5 mortality rate per 1000 2003</th>
<th>Under 5 mortality rate per 1000 1980</th>
<th>Under 5 mortality rate per 1000 1990</th>
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<tbody>
<tr>
<td>Tanzania</td>
<td>...</td>
<td>105</td>
<td>98</td>
<td>100</td>
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<td>121</td>
<td>110</td>
<td>84</td>
<td>140</td>
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<td>Namibia</td>
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<td>88</td>
<td>68</td>
<td>58</td>
<td>...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kenya</td>
<td>20</td>
<td>86</td>
<td>68</td>
<td>79</td>
<td>123</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethiopia</td>
<td>47</td>
<td>144</td>
<td>123</td>
<td>99</td>
<td>169</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>...</td>
<td>68</td>
<td>59</td>
<td>57</td>
<td>126</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>...</td>
<td>115</td>
<td>96</td>
<td>91</td>
<td>171</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: ADB Statistics Division and IMF, 2004

High infant mortality rates are mainly due to high rates of post neo-natal deaths. The high incidence of child nutritional problems, the large number of people below the poverty line, the HIV/AIDS pandemic, acute respiratory infections, malaria, and diarrhea, the low quality of health facilities and services are some of the causes of this high mortality. Immunization and vaccine coverage have also been declining contributing to the high mortality rates. This scenario shows that SSA countries are nowhere near achieving the MDG of reducing child mortality.

To reduce infant and child mortality rates, there is need for a review of the immunization policy, methods and tools used to increase the immunization rates especially for preventable diseases. In some countries, parents have developed a negative attitude of immunization especially for polio, associating it with AIDS and contraceptives. There is need for programs to educate pregnant women and parents on the preventative aspects of immunization. The Expanded Programme on Immunization (EPI) should be fully supported both financially through budgetary allocations and in terms of capacity to market the immunization programs even in the remote areas. This will help achieve the MDG of reducing the infant and child mortality rates.

2.14 MATERNAL HEALTH

WHO and UNICEF estimate that more than half a million women in developing countries die from complications of pregnancy and childbirth, leading causes of death and disability among women of reproductive age. In 1995, more than half of all maternal deaths occurred in Africa. The number of births attended to by skilled health personnel remain very low in SSA.

In 2003, the maternal mortality rate was 640 per 100,000 live births in Africa as compared with 470 per 100,000 for the developing countries as a whole. The estimated number of maternal deaths in 2000 for the world was 529,000. Out of this, Sub-Saharan Africa accounted for 247,000. The maternal mortality ratio (maternal deaths per 100,000 live births) for Sub-Saharan Africa was 920 (the highest in the world) compared to the world average of 400
deaths per 100,000. Ethiopia had maternal deaths of 24,000, Tanzania 21,000, while Kenya had 11,000 and Uganda had 10,000. However, in terms of maternal mortality ratio, which reflects the obstetric risk associated with each pregnancy, Tanzania had 1,500, Zimbabwe, 1,100, Kenya 1000 deaths per 100,000 live births. Table 11 shows the maternal mortality ratio and deaths in selected African countries.

Table 2.11: Maternal Mortality Deaths and Ratios in Some Selected African Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Maternal mortality ratio (maternal deaths per 100,000 live births (2000))</th>
<th>Maternal mortality ratio (maternal deaths per 100,000 live births (1995))</th>
<th>Number of maternal deaths (2000)</th>
<th>Lifetime risk of maternal deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia</td>
<td>850</td>
<td>871</td>
<td>24000</td>
<td>1 in 14</td>
</tr>
<tr>
<td>Kenya</td>
<td>1000</td>
<td>590</td>
<td>11000</td>
<td>1 in 19</td>
</tr>
<tr>
<td>Uganda</td>
<td>880</td>
<td>505</td>
<td>10000</td>
<td>1 in 13</td>
</tr>
<tr>
<td>Tanzania</td>
<td>1500</td>
<td>529</td>
<td>21000</td>
<td>1 in 10</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>1100</td>
<td>695</td>
<td>5000</td>
<td>1 in 16</td>
</tr>
<tr>
<td>Namibia</td>
<td>300</td>
<td>230</td>
<td>190</td>
<td>1 in 54</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>920</td>
<td>1100</td>
<td>247000</td>
<td>1 in 16</td>
</tr>
</tbody>
</table>


Table 2.11 shows that the lifetime risk of death is quite high in Sub-Saharan Africa with as many as 1 woman in 16 facing the risk of maternal death in the course of her lifetime. Tanzania has the highest risk with one woman in 10 facing the risk of maternal death. The major cause of the high maternal mortality ratio (MMR) is the burden of unsafe motherhood. Most deliveries take place at home due to lack of skilled health personnel in health facilities and the long distances to the nearest health facilities, lack of family planning facilities, ante-natal care, safe delivery and essential obstetric care. Cost may be another factor that may prevent pregnant women from delivering in a health facility. There is a direct decline in utilization of maternity services linked to the introduction of user fees and this has mainly affected the poor.

2.15 HIV/AIDS, MALARIA AND OTHER DISEASES

Basic education, which equips recipients with essential literacy and numeracy skills, yields high rates on investment, thereby enhancing labor productivity. Similarly, health care, sanitation and nutrition improve people’s standard of living and productivity by reducing sickness and mortality rates and by increasing life expectancy. However, diseases such as HIV/AIDS and malaria hamper human capital formation in SSA. HIV/AIDS kills approximately 2.4 million people annually in Africa, leading to reduced life expectancy and retarding economic growth.

AIDS poses an unprecedented public health, economic, and social challenge. By infecting young people disproportionately, half of all new HIV infections are among 15-24 year olds and killing so many adults in their prime, the epidemic undermines development. HIV has infected more than 60 million people worldwide. Each day 14,000 people are newly infected, more than half of them under age 25. At the end of 2004, 37 million adults and 2 million children were living with HIV/AIDS – more than 95% of them in developing countries and 70% in SSA.
HIV/AIDS is a major health and development problem in SSA. WHO estimates that there were 2.3 million AIDS related deaths in 2001 in SSA where the adult prevalence rates was 8.4% in the same year. An estimated 25 million adults and children were living with HIV in SSA at the end of 2003, and an estimated 12 million children have been orphaned by AIDS. In 2003, 2.2 million people died from AIDS in SSA. However, there were differentials in individual countries as shown in Table 2.12.

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Total Adults &amp; Children</th>
<th>Adult (Millions)</th>
<th>Adult rate (%)</th>
<th>Women 15-49 yrs</th>
<th>Men 15-49 yrs</th>
<th>Children &lt;15 yrs</th>
<th>Orphaned due to AIDS &lt;15 yrs (.000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia</td>
<td>2003</td>
<td>1.52m</td>
<td>1.4</td>
<td>4.4</td>
<td>770</td>
<td>630</td>
<td>120</td>
<td>720</td>
</tr>
<tr>
<td>Kenya</td>
<td>2003</td>
<td>1.2m</td>
<td>1.1</td>
<td>6.7</td>
<td>720</td>
<td>380</td>
<td>100</td>
<td>650</td>
</tr>
<tr>
<td>Uganda</td>
<td>2003</td>
<td>534,000</td>
<td>450000</td>
<td>4.1</td>
<td>270</td>
<td>180</td>
<td>84</td>
<td>940</td>
</tr>
<tr>
<td>Tanzania</td>
<td>2003</td>
<td>1.64m</td>
<td>1.5</td>
<td>8.8</td>
<td>840</td>
<td>660</td>
<td>140</td>
<td>980</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>2003</td>
<td>1.72m</td>
<td>1.6</td>
<td>24.6</td>
<td>930</td>
<td>670</td>
<td>120</td>
<td>980</td>
</tr>
<tr>
<td>Namibia</td>
<td>2003</td>
<td>215,000</td>
<td>200000</td>
<td>21.3</td>
<td>110</td>
<td>90</td>
<td>15</td>
<td>57</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>2003</td>
<td>25m</td>
<td>23.1</td>
<td>7.5</td>
<td>13.3m</td>
<td>9.8m</td>
<td>1.9m</td>
<td>12.1m</td>
</tr>
</tbody>
</table>


The proportion of adults living with HIV/AIDS in SSA has stabilized – not because the epidemic has been halted, but because the death rate now equals the rate of new cases. As Table 2.12 shows, the HIV prevalence rate for Zimbabwe is 24.6% compared with 4.1% for Uganda. Uganda has managed to reduce the HIV prevalence and other Sub-Saharan Africa countries should try to emulate the methods used by Uganda to reduce it. In all the countries, there are more women than men with HIV/AIDS due to gender inequalities. For social and physiological reasons, women and girls are more vulnerable to HIV infection than are men and boys. In some parts of SSA young women are more than three times as likely as young men to be infected.

AIDS is an increasing cause of death in young children. It is also leaving millions of children orphaned. By the end of 2003, 15 million children, 12.1 million in SSA, had lost one or both parents to AIDS. In SSA where the epidemic is most widespread, the number of children who have lost both parents is increasing rapidly. These children are particularly vulnerable to disease and neglect.

The prevalence rates also differ in terms of region (urban versus rural), in terms of age (young versus old) and so on. Life expectancies in HIV/AIDS affected countries have declined, negating the gains achieved in the past decades. Large declines in life expectancy have occurred in Zimbabwe; from 56 to 39, Tanzania; from 52 to 43; and Ethiopia; from 52 to 42 (see Table 2.3).

As a preventative measure, condom use is encouraged. However, in various countries, there are various problems with condom use related to the negative perceptions, particularly regarding use within marriage and inconsistency in use. Therefore, change of risky behavior should be encouraged. In some countries, HIV testing kits in Voluntary Counseling and Testing centers are lacking due to cumbersome procurement procedures, and so many people may be
transmitting the virus unknowingly. Due to poverty, majority of AIDS sufferers cannot afford ARVs, as the current cost is way beyond their means.

Although NGOs, National AIDS Control Councils and the private sector have been at the forefront in providing multi-sectoral response to the HIV/AIDS pandemic, most of these are bogged down with controversies and corruption especially on the use of HIV/AIDS control of donor funds.

Due to poverty, most of the HIV/AIDS sufferers are taken care of at home mainly by women and the girl child and this has negatively affected not only agricultural production at the household level but also at the national level, as more time and resources are used to take care of the sick, hence perpetuating poverty.

2.15.1 Tuberculosis

Poverty, lack of basic health services, poor nutrition, and inadequate living conditions all contribute to the spread of Tuberculosis (TB). Over the past decade, the incidence of TB has grown rapidly in SSA. In Sub-Saharan Africa, more than 1.5 million TB cases occur in each year. Table 2.13 shows that TB prevalence has been rising rapidly in SSA. For example, there were only 227 cases of TB per 100,000 in 1990 in Kenya but by the end of 2003, this had risen to 821 per 100,000. The disease is spreading rapidly because of the emergence of drug-resistant strains of tuberculosis and the spread of HIV/AIDS, which reduces resistance to TB. Poorly managed TB programs also allow drug-resistant strains to spread.

Table 2.13: TB Prevalence Rate per 100,000 for Six Selected African Countries

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>227</td>
<td>609</td>
<td>650</td>
<td>741</td>
<td>821</td>
</tr>
<tr>
<td>Namibia</td>
<td>559</td>
<td>401</td>
<td>398</td>
<td>414</td>
<td>477</td>
</tr>
<tr>
<td>Uganda</td>
<td>244</td>
<td>489</td>
<td>510</td>
<td>558</td>
<td>621</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>210</td>
<td>461</td>
<td>474</td>
<td>468</td>
<td>500</td>
</tr>
<tr>
<td>Tanzania</td>
<td>358</td>
<td>440</td>
<td>440</td>
<td>462</td>
<td>476</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>266</td>
<td>454</td>
<td>480</td>
<td>486</td>
<td>507</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>106.4</td>
<td>…</td>
<td>…</td>
<td>343</td>
<td>…</td>
</tr>
</tbody>
</table>

Source: WHO, 2005

Tuberculosis (TB) kills about two million people each year, making it one of the world’s leading infectious causes of death among young people and adults. The number is rising rapidly, largely due to the high prevalence of HIV. In Kenya, the TB death rate per 100,000 has been rising rapidly and stood at 89 by the end of 2003. Uganda and Zimbabwe follow closely with 71 and 61 deaths respectively per 100,000 by the end of 2003. TB is a leading cause of death among women of reproductive age and is estimated to cause more deaths among this group than all causes of maternal mortality. Table 2.14 shows TB death rates for some selected African countries.
Table 2.14: TB Death Rate per 100,000 for Six Selected African Countries

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>25</td>
<td>65</td>
<td>70</td>
<td>80</td>
<td>89</td>
</tr>
<tr>
<td>Namibia</td>
<td>61</td>
<td>43</td>
<td>42</td>
<td>44</td>
<td>52</td>
</tr>
<tr>
<td>Uganda</td>
<td>26</td>
<td>55</td>
<td>58</td>
<td>64</td>
<td>71</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>23</td>
<td>56</td>
<td>57</td>
<td>56</td>
<td>61</td>
</tr>
<tr>
<td>Tanzania</td>
<td>39</td>
<td>47</td>
<td>48</td>
<td>50</td>
<td>52</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>29</td>
<td>54</td>
<td>57</td>
<td>58</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: WHO, 2005

2.15.2 Malaria

Malaria, one of the world’s most common and serious tropical diseases, is a protozoal infection transmitted to humans by mosquitoes. More than 41% of the world's population is at risk of acquiring malaria, and the proportion increases yearly due to deteriorating health systems, growing drug and insecticide resistance, climate change, and war. High-risk groups include children, pregnant women, travelers, refugees, displaced persons, and laborers entering endemic areas.

Malaria kills between 1.1 and 2.7 million people worldwide each year, of whom about 1 million are children under 5 years in SSA. About 100 countries in the world have malaria, almost half of which are in Sub-Saharan Africa. Malaria causes low birth weight. Mortality in these infants is 4 times higher than in normal birth infants. Table 2.15 shows malaria cases per 100,000 people in 2000 for selected Sub-Saharan African countries.

Table 2.15: Malaria Cases per 100,000 people in 2000 in some Selected African Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Cases per 100,000 people (2000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>545</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>5410</td>
</tr>
<tr>
<td>Uganda</td>
<td>46</td>
</tr>
<tr>
<td>Tanzania</td>
<td>1207</td>
</tr>
<tr>
<td>Namibia</td>
<td>1502</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>556</td>
</tr>
</tbody>
</table>

Source: Human Development Report: 2004

The malaria impact is more severe on children under 5 years of age and pregnant women. Since a large proportion of the people in SSA live in malaria-infested areas, and majority of these living in absolute poverty, the impact of malaria on the poor is devastating since the cost of malaria control and treatment is quite high. One of the MDGs is to reduce the burden of malaria by 50% by 2010. This can be achieved through concerted efforts and commitment by African governments, NGOs, the international community and the private sector.

The historic Abuja Declaration commits governments to an intensive effort to halve the burden of malaria in Africa by 2010. Malaria is a disease of poverty. Poor people are at an increased risk of becoming infected with malaria and malaria is a major contributing cause
of poverty in endemic areas. It makes poor people poorer. Malaria increases poverty by significantly reducing productivity and social stability. Rural and poor populations carry the overwhelming burden of malaria because access to effective treatment is extremely limited. In rural areas, the infection rates are highest during the rainy season, which is also a time of intense agricultural activity.

Malaria is spreading faster than control efforts and urgent action is required to mobilize enough resources and political commitment to halve it. Prompt treatment can do much to prevent deaths and relieve the burden of malaria in SSA. However, the broad approach adopted by current malaria control efforts does not automatically result in benefits for the poor people most at risk of contracting it. Prompt and effective treatment of malaria, which can reduce death rates by 50%, should be included in routine child and maternal health care. Insecticide spraying, bed nets, and other cost-effective measures can help prevent malaria. Today only 2 percent of children in Africa sleep under a bed net treated with insecticide. According to the report of the Commission on Macroeconomics and Health, up to US$2 billion will be needed each year to achieving the goal of halving the burden of malaria by 2010. Currently only US$600 million is being spent.

2.16 ENVIRONMENTAL SUSTAINABILITY

Only by protecting the environment and using its resources wisely can we ensure sustainable development. The environment provides goods and services that sustain human development, so development must sustain the environment. Poor people, often dependent on environmental resources for their livelihood, are the most affected by environmental degradation and effects of natural disasters are worsened by environmental mismanagement. The sustainable use of natural resources can improve the lives of the poor in many ways, including reducing vulnerability, increasing income, and improving health.

The 7th MDG is to ensure environmental sustainability. The targets expect countries to integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources. They also expect to halve the proportion of population without safe water and basic sanitation.

However, although most countries have adopted principles of sustainable development in their PRSPs and agreed to international accords on protecting the environment, land is still being degraded, forests are increasingly under threat through uncontrolled logging and encroachment, wildlife is still being poached and fisheries overused.

Sub-Saharan Africa is faced with serious land degradation, destruction of forests, and loss of arable land, desertification and so on. Widespread poverty in rural areas leads to over-exploitation of natural resources. Deforestation and unsustainable agriculture has led to soil erosion and lack of vegetative cover. There seems to be limited government capacity for environmental management and insufficient institutional and legal framework for enforcement and coordination.

In urban areas, congestion, pollution, inadequate safe drinking water, inadequate sanitation and so on have created unsanitary conditions and environmental hazards. Access to safe and adequate water supply is a fundamental need and human right. It also has considerable
health and economic benefits to society. Lack of water and/or inadequate water management, cause inefficient use of land for agricultural purposes. It also contributes to soil erosion, low productivity and to food insecurity. Lack of proximate availability of water and poor sanitation resulting in increased number of sick days means reduction in productivity in general, and also negatively impacts on school attendance by children, especially girls.

Lack of sanitation is a major public health problem that causes diseases and death. Diarrhoea and cholera, which are spread easily in an environment of poor hygiene and inadequate sanitation, kill many people each year, most of them children under 5 years in SSA.

Table 2.16 shows the proportion of the population in selected countries that had access to improved water source and the proportion of the population that did not have access to sanitation in 2002.

**Table 2.16: Proportion of People with Access to Improved Water Source and Sanitation in Selected African Countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Access to Clean and Safe Drinking Water %</th>
<th>Access to Proper Sanitation %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia</td>
<td>16</td>
<td>27</td>
</tr>
<tr>
<td>Kenya</td>
<td>27</td>
<td>49</td>
</tr>
<tr>
<td>Tanzania</td>
<td>52</td>
<td>49</td>
</tr>
<tr>
<td>Uganda</td>
<td>16</td>
<td>42</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>52</td>
<td>74</td>
</tr>
<tr>
<td>Namibia</td>
<td>52</td>
<td>60</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>42</td>
<td>55</td>
</tr>
</tbody>
</table>

Source: Africa Development Report, 2004

As Table 2.16 shows, only 60% of the population in SSA had access to sanitation in 2000, an improvement of only 5% from 1993. For environment sustainability, there is need for proper institutional and legal framework for enforcement and coordination to enforce protection of natural resources such as forests. As such, natural resource management policies should encourage the poor to protect the environment starting with the promotion of secure land tenure.

The next section looks at the policy recommendations which if implemented would help SSA improve the PRSPs to achieve the MDGs.

### 2.17 RECOMMENDATIONS

As seen above, SSA countries face the greatest challenge of meeting the MDGs. SSA countries are unlikely to meet the poverty reduction goal fully, while progress on the social development goals is more varied. With an average economic growth rate of 3.3% a year in the recent past, most SSA countries will not achieve the goal and the number of poor in the region is likely to
increase. Even those countries whose economic growth rates have been rising may not able to meet the Millennium Development Goals because of greater inequalities.

2.17.1 Understanding Poverty

There is a growing body of evidence from around the developing world that poverty levels vary not only between countries and between individuals within countries, but also between regions within countries and between communities within regions. Poverty reduction planners must consider whether they will address only problems that are common to all communities and regions, or also more region or community specific problems. They must also consider the amounts of resources they will invest in regions or communities with more or less severe poverty problems. In other words, how much will poverty reduction strategies be geared to address redistribution or equity enhancement?

Poverty reduction planners must decide on the priority to give to alleviating short-term consequences of poverty versus the underlying forces that perpetuate poverty over long periods of time. Will poverty reduction strategies also be safety net programmes? Will they address the proximate causes of rural poverty, such as lack of inputs in agriculture, or other causes such as the systematic gender inequality in various countries? The World Bank/IMF should help countries address key analytical gaps about the poverty impact of policies and programs. Analysis should address areas such as sources of growth, the quality of non-social sector strategies, and the integration of the macro framework and structural and social reforms.

Poverty reduction resources must be used in such a manner that they benefit the poorer sections of society rather than enriching the already well off. Most Sub-Saharan Africa poverty reduction strategies programs do not give any quantitative analysis of the mechanisms by which different types of public investments are expected to catalyze private or collective investments.

In trying to reduce poverty, public services should be provided at the lowest administrative level to empower the lowest cadre of society. Most poverty reduction strategy programmes do not give any attention to investments and the provision of public services at the different social-spatial levels. Most of the programmes are expected to be undertaken by the central government due to lack of decentralization or devolution of power.

Poverty traps are multi-level, affecting individuals, households, communities, regions and nations. At each of these levels, the causes of poverty traps are the same. Poverty reduction strategies should seek to address poverty traps at all levels. However, the presentations of most Sub-Saharan Africa PRSP documents imply that a blanket approach to poverty reduction will be taken throughout the country. Little explicit recognition is given to the large regional differences that do exist across the country in severity of poverty in resources available to individuals or communities to improve their livelihoods, or in public services currently available to rural and urban residents.

The World Bank and IMF should emphasize ways of improving country processes for planning, implementing, and monitoring public actions geared toward poverty reduction, and place less emphasis on completion of documents. The donor community should encourage countries to establish appropriate goals that are within current country capacity to monitor and use.
As mentioned before, most PRSP documents do not explore very well how the prioritized actions have been in the past. The critical intervening variables are not identified and so it is not very clear what the critical things that need to be monitored. The World Bank/IMF should assist countries in improving the prioritization of their PRSPs, and demonstrate how the content of its programs has changed in light of these improved PRSPs.

Also, the PRSP initiative and incentives put in place around it are not sufficient to generate full ownership, even in terms of the process. This has compromised the effectiveness and sustainability of the initiative. In most SSA countries, sometimes even the knowledge about the PRSPs and MDGs does not extend very far outside the finance and planning ministries since the knowledge is concentrated with the technocrats. The World Bank/IMF and the donor community should develop a review procedure that is more supportive of ownership and more effectively linked to decisions about the World Bank’s program. The feedback to countries on their PRS processes should be transparent, comprehensive, and candid.

Dominance by donors and the resulting financial and institutional aid dependency by SSA have slowed down the achievement of the MDGs especially where there are conditionalities in the aid given. This also reduces the ownership of the policy and the process.

2.17.2 Pro-poor Policies and Processes

To meet the MDGs, government policies need to be pro-poor and to have the tools and resources to implement these policies. SSA countries should encourage pro-poor growth through strategies which encourage national capital stock to grow at least as fast as the labor force; ensure the most efficient use of new investment; help to achieve higher agricultural yields and linkages between farm and non-farm activities.

They should also give attention to the impact of policies on the distribution of income and assets particularly in those high inequality countries where low growth prospects will otherwise severely limit poverty reduction. This means giving more attention to the scope for redistribution of land ownership and assets and especially greater access of the poor to these assets; shifting the distribution of public subsidies and services more towards primary education and primary health especially for girls, than in the past; the likely impact on the poor of the functioning of the markets at the micro-level especially removing bureaucratic obstacles in the informal sector. They should also mainstream gender equality within government and to make more efforts to challenge normal gender roles.

There is need for improvement in health care facilities and schools in both rural and urban areas, provision and improvement in water and sanitation and instituting measures to improve maternal and child health. This calls for more effective community-level responses to HIV/AIDS that focus not only on prevention but also on supporting those who are infected and those who have lost family members. It also requires more effective measures to reduce urban and rural poverty.

Increasing the supply and reducing the cost of land for housing and related infrastructure is central to meeting the MDG targets for extending provision of water and sanitation, and for significantly improving the lives of slum and rural dwellers. The MDGs will not be met in urban areas unless those living in illegal settlements can get tenure and infrastructure, and unless lower-income households can get into official land-for-housing markets. The urban
poor in illegal settlements can be allowed to purchase land they occupy, supported by a
government loan, by negotiating a community lease or moving to another location provided by
a government agency on whose land they were squatting.

2.17.3 Agriculture and Rural Development

Agriculture and rural development is crucial for poverty alleviation. Agriculture contributes 30% of GDP in SSA. The rural population represents an average of 60% of the total population on the continent. About 90% of the rural labour force is engaged either directly or indirectly in agricultural activities. For the continent’s rural people, accelerated agricultural development would contribute to greater efficiency, increased household income, improved standards of living, and poverty reduction. Policy should be on small-scale enterprises in rural areas that forge backward and forward linkages with agriculture. The land reform policy that establishes property rights should be accompanied by a policy of establishing the capabilities of farmers in terms of provision of inputs and technical know-how that can contribute to both equity and growth.

Poverty is deeply rooted in rural areas in Africa. The poor face severe problems in access to food, water supply, health care, and education. To arrest and reverse the spread of poverty, Sub-Saharan African countries would require sustained economic growth of around 8% a year. This would require, in turn, real agricultural GDP growth of at least 4% per year (African Development Report, 2004).

Food security is of much concern as 100 million people are estimated to be malnourished and recurring famines afflicting many countries. Past policies have neglected agriculture in the allocation of public resources to support investments in other sectors. To enable agriculture to fulfill its development role, SSA countries must make advances in investing in rural infrastructure, support the provision of rural finance, and promote improved inputs and practices through research and extension.

Although water is a basic necessity, over 70% of Africa’s rural population do not have easy access to safe drinking water. Similarly, most rural communities do not have electric power. Active involvement of the rural poor in the design, implementation, and management of the water and electric schemes is key to sustainable supply of safe drinking water and electric power to rural Africa.

Community-based credit organizations and decentralized savings and credit systems can achieve good results in resource mobilization and lending to rural micro-enterprises especially those belonging to women as most formal financial organizations neglect the poor and fail to provide access to credit and hence perpetuate poverty. Therefore, in addition to encouraging the formal banking system to expand operations into the rural areas, there is need to strengthen the existing rural finance networks in SSA.

With regards to crops, the focus must shift to the use of high-yielding inputs that increase factor productivity. There must be efficient use of chemical, biological and organic inputs and small-scale irrigation. The resulting increase in output and productivity will contribute significantly to raising income and reducing poverty.

The weaknesses of national agricultural research and extension systems must be rectified so that they serve as effective mechanisms of improved technologies. Development programs that
help reduce poverty by improving agricultural techniques, introducing new skills, promoting energy and water conservation, and controlling rapid population growth also contributes to environmental protection. SSA countries also need to diversify their agricultural exports and in manufacturing to enhance their competitiveness and to reap the benefits of globalization. They also need to diversify from primary commodities to less volatile exports with more value added.

### 2.17.4 National Health and Social Security

Most SSA countries do not have a social security system. A national health and social security programme should be started to hedge against old age poverty and also make it easier for the poor to afford medical services. Most of the social security programs are mainly for those people who are formally employed. Cost sharing in health facilities has contributed to the high maternal mortality rates in Sub-Saharan Africa and so making health services affordable would go along way in improving maternal health. Medical and life insurance are still alien concepts to most Sub-Saharan African societies.

Free family planning services should also be strengthened and budgetary allocation increased to reduce the increasing fertility rates in SSA. Also, maternity services at the community level should be strengthened with proper training of traditional birth attendants (TBAs).

Mobile health clinics should also be revived or started in countries where they have become dormant to improve access to health services because distance also contributes to high infant, child and maternal mortality rates. An effective referral system should also be put in place. This also means that capacity building in terms of doctors, nurses and paramedics should also be emphasized with proper remuneration.

Concerted efforts and commitment by SSA governments, NGOs, the international community and the private sector is needed to combat malaria. Urgent action is required to mobilize enough resources and political commitment to reduce the spread of malaria. Treated mosquito nets should be provided free of charge or at a subsidized fee to the very poor and vulnerable people like pregnant women and children. Clearing of stagnant water and bushes should be encouraged through community participation.

There is need for a change of policy to identify and devise special programs for the highly vulnerable groups of the population. Procurement procedures should be revised to make it easier to import HIV testing kits and other HIV/AIDS related curative and preventive materials. Access to antiretroviral (ARV) drugs should also be enhanced and for the very poor, this should be provided free. To reduce the HIV/AIDS prevalence among women and young girls, there is need to provide them with information and knowledge to avoid infections, coupled with empowerment to control their sex lives. There should also be adequate allocation to primary health care, in both government budgets and external assistance.

### 2.18 CONCLUSION

Despite the restoration of macroeconomic stability and slight progress in economic growth in some countries, SSA still faces daunting challenges as it seeks to accelerate growth, reduce poverty and attain the Millennium Development Goals (MDGs). The present growth rates are still below what is needed to achieve the MDGs. A major challenge facing most countries is raising growth rates from the current 3.3% and sustaining them over the medium to long term.
Despite the relative improvement in economic performance and social development for some countries, especially those reforming, the overall levels for all countries in SSA in income and other social indicators remain very low. While some relationship exists between growth and improvement in social indicators, the level of social indicators in SSA is still too low.

The average population growth rate has overtaken the real GDP growth rate meaning that growth in per capita income has been declining in the last three decades. The failure of SSA to register higher economic growth rates shows that not much progress has been made in poverty reduction. Econometric analysis of the relationship between growth and poverty finds that growth in income per person is associated with poverty reduction. However, the sources of growth in income and its distribution determine the interplay between poverty and growth. For example, in developing countries, agricultural growth has been seen to bring about greater declines in poverty indicators than growth in industry and services. Also, growth in the rural sector has also been found to have a greater impact on poverty reduction than urban-based growth. Where there are inequalities in income distribution, then the responsiveness of poverty to changes in the growth rate will be slow. This shows that though growth is necessary for poverty reduction, it is not sufficient.

Economic growth is essential for sustained poverty reduction. The challenge for countries is how to accelerate it and at the same time make it broad-based for the greater benefit of the poor. Policies that promote economic growth and stability and at the same time lead to a rapid reduction in poverty are required. Growth must be in those areas that will provide employment to the majority of the population. Distribution of income is therefore very important if this growth is to lead to poverty reduction.

Compared to Asia where some countries have already managed to meet some of the MDGs, SSA countries are not on the right track in achieving the MDGs due to financial and social constraints, poor governance, and lack of community participation, wrong policies, policy reversals, civil conflicts and institutional setbacks. The policies, tools and techniques used in poverty reduction seem not to be pro-poor as shown in the PRSPs. There is less community participation and ownership and little civil society participation in the design and implementation of PRSPs, little or no government commitment in the implementation of the policies for poverty alleviation, aid dependency and in most SSA countries, there is no link between policy and the budgetary process. As such, SSA will not meet most of the Millennium Development Goals in time, in particular the most important goal related to poverty alleviation. The average GDP growth rate is clearly insufficient, as poverty and other socio-economic indicators have been deteriorating since 1995.

The key to sustainable development in SSA lies in the acknowledgement of the close interdependence between the goals of accelerated economic growth, poverty reduction, and the Millennium Development Goals. There is therefore need for SSA countries to re-evaluate the tools, policies and techniques they are using to be able to achieve the MDGs.
REFERENCES


PART II: COUNTRY CASE STUDIES
3. **POVERTY REDUCTION IN UGANDA: THE EXPERIENCE OF INVOLVING CIVIL SOCIETY ORGANIZATIONS**

*John Kiyaga-Nsubuga, Margaret Kakande and Enock Muyenyi*

3.1 **INTRODUCTION**

Uganda places reduction of poverty at the centre of her development agenda. To this effect, a Poverty Eradication Action Plan (PEAP) was first formulated in 1997 and has been revised twice. The PEAP 2005-08, like its predecessors, is addressing four core challenges: (a) the restoration of security, dealing with the consequences of conflict and improving regional equity; (b) restoring sustainable growth in the incomes of the poor; (c) human development; and (d) using public resources transparently and efficiently to eradicate poverty.

The PEAP is grouped under five ‘pillars’: (1) Economic management; (2) Production, competitiveness and incomes; (3) Security, conflict-resolution and disaster-management; (4) Good governance; and (5) Human development. The PEAP has and still combines the macro-economic management policies that have been under implementation since the early 1980s with more focused pro-poor sectoral policies.

It is essential to the concept of civil society that its actions are not planned or dictated by Government. However, in Uganda, Government enjoys productive partnerships with civil society in a number of areas and there are five general roles that civil society organizations play:

- Advocacy, particularly for the interests of groups who might otherwise be neglected;
- Voluntarily financed service delivery in sectors not covered by Government programmes;
- Publicly financed service delivery, subcontracted by Government;
- Support to conflict resolution; and
- Independent research on key policy issues.

This paper will share some experiences in these partnerships.

3.2 **FORMULATION OF THE PEAP/PRSP**

The PEAP was developed through a broad consultative process, which generated extensive input from government, the private sector, non-government organizations, civil society organizations and grassroots communities. Implementation of the PEAP interventions is through government, private sector as well as civil society organizations (CSOs). For the current PEAP, the contribution of CSOs was enormous. From an assessment of their contribution to the PEAP revision process, it was established that among their issues and priorities tabled for PEAP revision some changes were actually picked up by government.
The CSOs had four major issues namely:

1. A new name for the revised PEAP of “National Framework for Poverty Eradication and Structural Transformation” with a time frame of five years;

2. Reconfiguration of the PEAP to constitute six pillars of:
   - Delivering Quality and Equitable Social Services;
   - Enhancing Uganda’s Productive Capacity;
   - Ensuring Democratic Governance;
   - Security, Conflict Reduction and Disaster Management;
   - Maintenance of a Good Macroeconomic Policy Framework, and
   - Economic and Corporate Governance

3. Institutional mechanisms for implementing and monitoring the PEAP with strengthened inter- and intra-sectoral linkages, central role for the National Planning Authority, and enhanced the role of CSOs.

4. Thinking out of the box by considering unconventional solutions for poverty reduction and structural transformation.

Civil society did influence the structure and content of the PEAP. Some of the successes are wholly attributed to CSOs while others are a shared responsibility. Full attribution to CSOs is in terms of the increased number of PEAP pillars, as these increased from four to the current five. In addition was the discussion on pastoralism as a farming system to be supported for poverty reduction. As collective responsibility, issues integrated include:

- Renaming of pillars of the PEAP to make it more functional;
- Agreeing on the need to balance social and productive sector spending;
- Enhancing the role of CSOs in implementation and monitoring of the PEAP; and
- Enhancing the overall monitoring of the PEAP by government.

**Lessons.** The reasons for the successful participation and influence by CSOs followed a systematic and deliberate process where in-depth research on poverty issues was conducted. Under the leadership of the Uganda National NGO Forum, Civil Society produced a highly robust input titled: “In Search of a New Development Path for Uganda”. This input was a “shadow PRSP”.

The reason for limited influence in some areas was divergence of views on policy proposals, where government argues that CSOs had not done adequate research to cause a policy shift.

### 3.3 Monitoring and Evaluation of the PEAP/PRSP

The PEAP implementation is tracked through an elaborate poverty monitoring and evaluation strategy with several stakeholders coordinated through the national integrated monitoring and evaluation strategy (NIMES) as depicted in Figure 3.1 below.
The strategy has four levels of monitoring and evaluation. All the four levels of the coordination mechanism are supported by a strong national statistical system through the Uganda Bureau of Statistics (UBOS). In addition, a spatial data infrastructure system is supposed to enhance analysis and reporting in support of NIMES.


The various stakeholders have been assigned specific roles and responsibilities as noted in Table 3.1 below.
Table 3.1: Specific Responsibilities in Poverty Monitoring

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<th>Institution</th>
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| Office of the Prime Minister NIMES SECRETARIAT                             | Coordinate M&E systems at national level  
Collate policy related information and influence national political, socio-economic decisions.                                                                                                               |
| Ministry of Finance:  
  • Poverty Monitoring and Analysis Unit  
  • Uganda Bureau of Statistics  
  • Budget Department  
  • Macroeconomic Department | Coordinate poverty data collection particularly the PPAs. Analyze the whole range of data. Publish poverty reports that present a holistic view of poverty in Uganda and the implementation of the PEAP. Disseminate findings to Government and civil society, and service budget working groups. Commission poverty research and evaluations. Conduct censuses and surveys (including integrated household surveys, National Service Delivery Surveys, and Demographic and Health Surveys) and provide basic analysis of these data. Construct national accounts. Monitor Public Expenditure. Monitor and project macroeconomic indicators. |
| Ministry of Public Service                                                | Provide information on public service performance (ROM – analysis).                                                                                                                                               |
| Sectoral ministries, particularly the Management Information Systems in Planning Units. | Design indicators and collect administrative data on service delivery efforts and their immediate outcomes; analyze these data in conjunction with other data sources, and identify policy responses. |
| Uganda AIDS Commission                                                    | Coordinate data and policy response on AIDS.                                                                                                                                                                     |
| Police, Judiciary, Prisons, other JLOS Institutions                      | Compile administrative data on crime and the activities of the police and judiciary.                                                                                                                                 |
| Office for Co-ordination of Humanitarian Assistance                       | Co-ordinate and publish data on the number and living conditions of displaced people and refugees.                                                                                                                |
| IGG, Auditor-General Department of Ethics and Integrity                  | Ensuring that inputs are converted into outputs in a transparent manner by monitoring the integrity of public expenditures                                                                                       |
| District Authorities through LOGICS                                       | Collect information on relevant outputs, inputs, and reach at this level for their own planning purposes, and sharing with central government.                                                      |
| Economic Policy Research Centre                                           | Conduct relevant economic policy research that informs the monitoring process, thereby helping in refining it further.                                                                                             |
| Other academic institutions                                               | Conducting research on all aspects of poverty, using official data and collecting their own, providing an independent view on poverty.                                                                       |
| Uganda Human Rights Commission                                            | Providing information on human rights issues                                                                                                                                                                    |
| NGO Forum NGOs and CSOs                                                   | Coordinating CSOs monitoring efforts  
Conduct value for money M&E                                                                                                                                                                                      |
| Development Partners                                                      | Supporting the monitoring efforts of government and CSOs and using the findings to positively influence poverty reduction activities.                                                                           |
A number of CSOs are already engaged in various M&E activities. For example, there is the Uganda Debt Network that has established community based monitoring systems in a few districts to track public expenditures in priority sectors of education; health; water and sanitation and agricultural advisory services. They use both interview and observation methods for data collection. Quarterly reports are produced and circulated to various stakeholders. These reports have been used by the various sectors to verify performance of the relevant districts and appropriate action has been taken. On the other hand, is the Uganda National Health Users/Consumers Organization that is piloting the use of report cards to assess beneficiary satisfaction with service delivery.

Lesson: CSOs can assist in monitoring value for money to complement the administrative reporting on quantity of outputs. If communities are mobilized the exercise is not only cheaper but also empowers communities to demand for accountability from public service providers. There is need for an institutionalized mechanism for CSOs to feed their M&E findings into government policy processes.

The problem is the limited coverage because of CSO capacity constraints that makes it difficult to use this type of information for policy changes.

3.4 INITIATIVE

To improve on CSO effectiveness in monitoring public expenditure in Uganda, a project\(^3\) has been initiated to strengthen partnerships between government and CSOs in this area. This has been after a realization that CSOs are using different methods for data collection, have limited analytical capacity as well as dissemination techniques.

The main objectives of this project are to:

1. Enhance knowledge about methods of data collection, analysis and reporting that promote services user feedback;
2. Enhance coordination of CSO M&E systems; and
3. Strengthen the capacity for community based monitoring and evaluation in Uganda.

To achieve the objectives a number of activities are planned:

- **Review and Standardization of Methodologies.** This will entail organizing meetings and workshops to review, build consensus on standardized methods of data collection for monitoring and evaluation of priority service sectors;
- **Orientation on accepted methodologies;**
- **Conducting a Training Needs Assessment among CSOs;**
- **Training of CSOs.** It is anticipated that the training will be in areas of data analysis, interpretation, reporting, advocacy and dissemination, better packaging of information and effective linkage with policy process;

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\(^3\) This is a World Bank Project being coordinated by the Ministry of Finance, Planning and Economic Development with full participation of CSOs.
• Piloting Test Methodology at community level; and
• Building capacity at the community level in data analysis, review of instruments to collect data and dissemination and advocacy of results.

The expected outcomes of the project are:

1. A strong CSO M&E system that can complement the government systems;
2. Coordinated CSO M&E system using standardized methodologies of data collection;
3. Representative and reliable information generated by CSOs through aggregation of information from various parts of the country;
4. Enhanced advocacy as CSO information is adequately analyzed, interpreted and packaged for different audiences;
5. Enhanced dialogue between CSOs and government; and
6. Increased level of information sharing at all levels.

3.5 CONCLUSION

Governments cannot effectively design, implement, monitor and evaluate PRSPs without the participation of CSOs. However, for effectiveness and to minimize duplication of effort, specific roles and responsibilities must be clearly delineated. It is then important to appreciate the capacity constraints of each stakeholder and means of addressing these has to be worked out. It will be a process that may take time but for effective partnerships it has to be of “equals” in all aspects and there should be no short cuts.
4. NAMIBIAN: FACING THE CHALLENGE OF POVERTY REDUCTION IN THE CONTEXT OF DECENTRALIZATION REFORM AND CIVIL SOCIETY PARTICIPATION

R. M. Ndopu and S. Geiseb

4.1 INTRODUCTION

Strategic axis to address poverty reduction:

- To implement a decentralisation reform aimed at transferring political, administrative, technical and managerial functions from central to local and regional levels and also improving the socio-economic conditions of the majority of the citizens.
- To implement an integrated Poverty Reduction Strategy (PRS) and National Action Programme for Poverty Reduction.
- To improve the relationship between sub-national government and citizens and promote participatory democracy.

4.2 MAIN FEATURES OF POLICIES AND PROGRAMMES

4.2.1 Decentralization Reform and Legal Framework

Decentralisation is certainly the most crucial reform for improving local governance in Namibia. The policy is embedded in the constitution of the Republic of Namibia and provided for in four main pieces of legislation.

The overall aim of the Decentralisation Policy adopted in 1997 is ensuring economic, cultural and socio economic development and providing the people at the grass root level the opportunity to participate in their own decision making and extending democracy to them as a right based on ideals and values.

Four main pieces of legislation supporting decentralisation, are namely:

- The Regional Council Act (1992): 13 regions composed of 6 to 12 constituencies per region. 109 constituencies under the leadership of Regional Councilors elected through democratic elections by their inhabitants every five years.

- The Local Authority Act (1992): Three types of Local Authorities - Municipalities (Part 1 and 2), financially independent, getting their revenue from taxes collection (firms, properties, environment) and proximity services users’ payment (mainly electricity, water and waste management); Town councils, which still rely on government subsidies for a significant part of their budget; Village councils, of which a revenues rely mainly on government grants despite collection of own revenues (taxes collection and service users’ payment).
The Decentralisation Enabling Act (2000): The Decentralization Enabling Act makes provision for a legal framework for the implementation and regulation of decentralized functions; and The Act further illustrates the step-by-step process of decentralization through the phases of delegation and devolution.

The Trust Fund for Regional Development and Equity Provision Act (2000): The Trust Funds for Regional Development and Equity Provision Act was passed to provide for financial assistance and technical expertise to Regional Councils and Local Authorities.

4.2.1.1 Key issues being considered under the decentralisation reform

a) Revising of current development planning framework to more decentralised framework:

Challenges of the current development planning system: traditionally centralised planning system; no integrated planning and budgeting system, weak regional development plan implementation, and low level of public participation.

- To integrate Regional Development Plans into National Development Plans through a coherent top-down national sectoral framework and an integrated bottom-up participatory approach for negotiating Regional Development Plans
- To genuinely transfer Regional Development Plans design, management/coordination, and monitoring functions to the Regional Councils
- To gradually transfer line functions to the Regional Councils as provided by the decentralization policy, in line with the Decentralisation Implementation Plan and Decentralisation Enabling Act, 2000.

b) Development of a participatory democracy support strategy:

Among all public participation approaches which need to be strengthened at sub-government levels, are:

- Participatory needs assessment approaches;
- Participatory planning and development approaches for enabling citizen and all development partners to become an actors of the development of their territory;
- Citizen association in important public decision making processes;
- Direct communication approaches towards citizen;
- Direct contributions of citizen in projects implementation.

To address this complex issue, MRLGH has decided to implement a progressive and integrated approach aimed at:

- Enhancing capacities and initiatives at sub-national government levels to build sustainable, innovative public participation mechanisms and tools.
- Building local and regional/local institution and citizen capacities to participate in public affairs at local and regional levels.

Development of a participatory democracy support strategy to enhance civil society participation:
1. Seminar “Promoting participatory democracy and public participation through decentralisation” 1-3 June 2005
2. Survey “understand citizen expectation on public involvement in public affairs at sub national levels” Sept – Nov 2005
3. Workshop “Identifying priority areas of public involvement and designing a global strategy on public participation” Nov 2005

c) Review of the sub-national government administrative and fiscal systems in line with decentralisation policy;
d) Public service reform towards a results-oriented management and efficient public service (Anti-corruption strategy);
e) Identification of capacity needs and development capacity building strategy for sub-national governments; and
f) Introduction and implementation of programme on public private partnership.

4.3 POVERTY REDUCTION STRATEGY (PRS)

Key strategic areas of Poverty Reduction Strategy:

- Building a transport and manufacturing hub;
- Investing in people with quality education system and services;
- Improving quality of the health system;
- Promoting access to income generating activities for the poorest and developing Small and Medium enterprises (SMEs);
- Strengthening Namibia’s safety net (labour intensive public works and social grant based transfer programs); and
- Making the most of public resources, improving relevance, efficiency and effectiveness of public projects and services, especially through decentralisation.

Namibia has also developed a National Poverty Reduction Action Programme (NPRAP) which is aimed at elaborating on the PRS and describe the cross cutting measures that should be taken to ensure the strategy’s implementation.

Among the actions identified by the NPRAP and in process of implementation which do have a significant impact on Local Governance:

- Investing in people with quality education system and services;
- A program implemented by Ministry of Basic Education and Social Services (MBESC) aimed at reducing inter-regional disparities in educational expenditures per student;
- The implementation of a renewed vocational training programme aimed at providing innovations in co-operation with the private sector, and in particular with SME companies for school leavers with less than a present entrance requirements;
- The implementation of awareness campaigns at regional level in collaboration with Local Authorities and Regional Councils on importance of education and role and responsibilities of the parents in decision making;
- Improving quality of the health system;
The implementation of an observatory of health public needs and public satisfaction on health services;
The implementation of health services’ participatory quality assessment approaches;
Promoting access to income generating activities for the poorest and developing Small and Medium enterprises (SMEs);
The establishment of conservancies managed by local communities for creation of business opportunities, especially in tourism sector (community-based tourism projects) through joint ventures with private sector; and
The establishment of a legal framework for the development of Micro Finance Institutions (MFI) and collaborations with commercial banks for designing specific products for small business entrepreneurs.

Among the actions identified by the NPRAP and in process of implementation which do have a real impact on local governance:

Making the most out of public resources by improving relevance, efficiency and effectiveness of public projects and services;
The ongoing implementation of the decentralisation reform;
The ongoing approach to support Regional Councils and Local Authorities in designing and implementing public participation and participatory mechanisms and tools;
The ongoing public service reform towards a result oriented management and efficient public reform;
Participatory Poverty Assessments (PPA);
The National Planning Commission Secretariat (NPCS) is facilitating a Participatory Poverty Assessments (PPAs), with the aim to develop Regional Poverty Profiles for each region;
In 2003 and 2004, PPAs were carried out in Ohangwena, Caprivi and Omaheke regions, and Regional Poverty Profiles have been formulated;
In 2005, NPCS is extending the approach by conducting Poverty Assessments and formulate Poverty Profiles for the remaining 10 regions;
Through the PPAs, the Government seeks to bring the perspectives of the poor into policy formulation and the implementation of plans/programmes for poverty reduction at both local, regional and national levels;
Main principles of the PPA participatory planning approach;
The need to create spaces for information sharing, prioritisation, negotiation, consensus building between citizen and development partners at regional level;
The need to conduct specific needs assessment approaches when targeting the poor people to be able to understand and address poverty problems and factors when formulating development projects/actions;
The trust in poor people’ capacities for setting priorities and identifying solutions;
Inclusion of poor people’s views and perspectives in the formulation of poverty reduction strategies;
Empowering local people to formulate priorities for public policy & to take action themselves; and
Building capacity in local and regional institutions in participatory planning processes.
4.4 CHALLENGES FACING POVERTY REDUCTION STRATEGY IMPLEMENTATION

Integration of poverty reduction into the national/regional development and planning framework is facing several constraints, mostly dealing with public management style and practices.

- The traditional top-down sectoral planning approach used by line ministries;
- The difficulties at central and regional/local levels to actually develop integrated project management practices which involve several line ministries and other development partners;
- Weak management capacities;
- Resistance to change;
- Weak knowledge and acquaintance between development partners at regional and local levels which is a real constraints for working together to address cross cutting poverty reduction issues; and
- Development of bureaucratic effects within sub-national government organisations.

4.5 CONCLUSION

The Poverty Reduction Strategy in Namibia is carried out on participatory mechanisms and tools such as the PPA.

One of the big challenges in Namibia is definitely to make poverty reduction the corner stone of national and regional development plans:

- by integrating Poverty Reduction Strategy in formulation of sectoral national plans;
- by integrating Participatory Poverty Assessment into Regional Development Plans formulation process as part of the initial diagnosis;
- by developing efficient participatory planning and development approaches at local and regional levels to involve the poorest into all steps of projects cycle management;
- from needs assessment approaches to project design, implementation and evaluation; and
- to make sure those development projects answer the poverty problems and struggle against the poverty factors.
5. POVERTY REDUCTION STRATEGIES AND ENGAGEMENT OF CIVIL SOCIETY: THE CASE OF ZIMBABWE

E. Kaseke and S. G. Mhishi

5.1 INTRODUCTION

This paper provides an overview of the strategies that have been adopted by Zimbabwe in order to achieve the millennium development goal on the eradication of extreme poverty and hunger. The targets and indicators with respect to this goal are also discussed. The paper also examines the mechanisms for monitoring and evaluating the millennium development goals and the participation of civil society in the exercise.

According to the Census of 2002, Zimbabwe has a population of 11.6 million representing a decline of 200,000 from the population figure of 1997. About 69 per cent of the country population lives in rural areas where they engage largely in subsistence agriculture. Agriculture is therefore, the main stay of the country's economy, contributing about 24 per cent of GDP. In the early years of independence, Zimbabwe made commendable progress in addressing the imbalances of the past, particularly the Marginalization of the majority of her people. However, in the last 10 years, the social indicators have been negative as evidenced by, for instance, the decline in life expectancy from 61 years in 1990 to the current 43 years (Government of Zimbabwe, 2004). The sharp decline is attributed to the HIV/AIDS pandemic. The Government also observes that households living under the total consumption poverty line had increased to 62 percent by 1995/6 from 40 per cent in the 1990s. Similarly, extreme poverty had risen to 35 per cent by 1995 from a relatively low figure of 26 per cent in 1980s. According to the Poverty Assessment study of 1995, 74 percent of female headed-households were classified as poor and very poor compared to 69 per cent for male headed-households (Government of Zimbabwe, 1996). The study also revealed that poverty was more pronounced in rural areas than in urban areas. The Government of Zimbabwe also observes that the human development index has also declined from 0.621 in 1985 to 0.496 in 2001.

There has also been a sharp deterioration in the performance of the economy. Real GDP growth declined from a high of 7 per cent in 1990 to -13.9 per cent in 2003. The only social indicator which is now showing an improvement is that of HIV/AIDS prevalence among the population aged 15-49 years which now stands at 21.3 per cent (as of June, 2005) compared to 34 per cent in 2003.

The following table shows the trends of key development indicators during the period 1990 to 2003.
Table 5.1: Key Development Indicators

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<tbody>
<tr>
<td>Real GDP growth %</td>
<td>7.0</td>
<td>0.2</td>
<td>-8.2</td>
<td>-14.5</td>
<td>-13.9</td>
</tr>
<tr>
<td>Per capita Real GDP growth %</td>
<td>5.5</td>
<td>-1.3</td>
<td>-7.7</td>
<td>-14.7</td>
<td>-14.1</td>
</tr>
<tr>
<td>Inflation, %</td>
<td>15.5</td>
<td>22.6</td>
<td>55.9</td>
<td>133.2</td>
<td>525.8</td>
</tr>
<tr>
<td>ODA Flows (US$ million)</td>
<td>295.9</td>
<td>347.7</td>
<td>192.6</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Net Foreign Direct Investment (US$ million)</td>
<td>-12</td>
<td>98</td>
<td>16</td>
<td>23</td>
<td>5</td>
</tr>
<tr>
<td>Population (million)</td>
<td>10.3</td>
<td>11.8</td>
<td>--</td>
<td>11.6</td>
<td>11.87</td>
</tr>
<tr>
<td>Population growth rate %</td>
<td>2.5</td>
<td>--</td>
<td>2.5</td>
<td>1.1</td>
<td>0.3</td>
</tr>
<tr>
<td>HIV/AIDS prevalence</td>
<td>--</td>
<td>--</td>
<td>25</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>Life expectancy at birth (years)</td>
<td>61</td>
<td>55</td>
<td>43</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Structural unemployment</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>&gt;50</td>
<td>&gt;50</td>
</tr>
<tr>
<td>Population with access to safe water (rural)</td>
<td>65</td>
<td>73</td>
<td>75</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

The decline of the key development indicators can be attributed to Zimbabwe’s political crisis, which was triggered off by the land reform programme. This has led to Zimbabwe being isolated internationally. The consequence of this has been the withdrawal of donor support, including support from the International Monetary Fund and the World Bank. Persistent droughts and floods, and the HIV/AIDS pandemic have also contributed to the decline.

5.2 ERADICATING EXTREME POVERTY AND HUNGER

The millennium development goal on eradicating extreme poverty and hunger is one of three priority goals selected by Zimbabwe. The other two priority goals are gender equality and empowerment of women (Goal 3) and combating HIV and AIDS (Goal 6).

5.2.1 Targets

The targets for the eradication of extreme poverty and hunger are as follows:

- Halve between 2002 and 2015, the proportion of people whose income is less than the Total Consumption Poverty Line.
- Halve between 2000 and 2015, the proportion of people in human poverty, as measured by the Human Poverty Index.
- Halve between 2002 and 2015, the proportion of people who suffer from hunger.
- Reduce by two-thirds, between 2002 and 2015, the proportion of under-five children who are malnourished (Government of Zimbabwe, 2004).

5.2.2 Indicators

- Percentage of people below the Total Consumption Poverty Line
- Human Poverty Index
- Percentage of the population below the Food Poverty Line
- Percentage of under-five children that are malnourished
- Proportion of under-fives having at least three meals per day (Government of Zimbabwe, 2004).
5.2.3 Strategies

In order to achieve these targets, Zimbabwe has identified specific strategies. These strategies revolve around the National Economic Revival Programme, Land Reform Programme and a social protection framework encompassing a national social security policy, national drought policy, food security policy and support to vulnerable groups such as the elderly and orphans. The government launched the National Economic Revival Programme (NERP) in 2003 with a specific thrust towards improving foreign currency inflows as a prerequisite for the revival of the economy. The availability of foreign currency has not improved in any significant way. This has led government to observe that:

“Though NERP was received with more optimism by donors, private sector and other stakeholders, more than half-way through its implementation, the programme has not yet managed to generate the foreign currency required to support economic recovery” (Government of Zimbabwe 2004:12).

The agricultural sector is seen as the engine of growth given the fact that Zimbabwe’s economy is agriculture-driven. Increased productivity is to be realized through the increased use of irrigation, particularly by small-scale farmers. The area under irrigation is expected to increase from 174,000 hectares to 240,000 hectares by 2015. It is also appreciated that increased agricultural productivity is dependent on their being a supportive environment for farmers. Thus farmers are receiving credit facilities for inputs and development of irrigation facilities at concessionary interest rates.

Expansion of irrigation facilities and the provision of financial and technical support for the agrarian reform programme are expected not only to lead to economic revival but also to the achievement of food security and an improvement in maternal and child nutrition. This also calls for maintaining a balance between the production of food crops and cash crops and providing communities with the education or awareness necessary for preventing malnutrition, particularly among children under the age of five years.

The national Economic Revival Programme was also expected to address the problem of high inflation, which has contributed to the deepening of poverty in the country. Significant progress has been made in reducing inflation from 600 per cent at the beginning of 2004 to 123 per cent in March 2005. However, it climbed up to 144 percent in May 2005. The target is to reduce inflation to a single digit by 2015.

Another strategy is to promote employment-creation by strengthening small and medium sized enterprises through financial, technical and infrastructural support. This would create income-earning opportunities, which will also have positive knock on effect on economic growth.

The government has also developed specific social protection strategies in order to prevent and reduce extreme poverty. For instance, the Food Security Policy is intended to help the country to gradually build its strategic grain reserves and thus attain food self-sufficiency. The National Drought Policy is intended to cushion victims of drought against food deficit whilst at the same time building their capacity to withstand the effects of drought. The National Social Security Policy is intended to address the problem of income insecurity. Income security among
beneficiaries enables them to maintain an acceptable minimum standard of living. Finally, strategies to support the elderly and AIDS orphans are intended to enable these vulnerable groups to meet their basic needs. Support to orphans is also meant to be developmental in that it should create opportunities for them to realize their full potential.

5.3 MONITORING AND EVALUATION

The structure for the monitoring and evaluation of the millennium development goal on eradication of extreme poverty is as follows:

![Diagram showing the structure for monitoring and evaluation]

Figure 5.1: Strategy for Monitoring and Evaluation

The monitoring and evaluation of MDGs is a responsibility of many stakeholders. The integrated Poverty Monitoring System, in particular, has representation from government, non-governmental organizations and academic institutions. Similarly, the Technical Advisory Group is broad-based although it is dominated by university academics, researchers and the Central Statistical Office. The Poverty Assessment Study, has recently been given technical guidance by both the Technical Advisory Group and the Integrated Poverty Monitoring System. There is also a parallel monitoring process through the Poverty Forum, a coalition of government, civil society organizations and academic and research institutions. The Poverty Forum produces the Annual Human Development Reports.

The participation of civil society is throughout the exercise and their views are generally taken into account. However, there is an uneasy relationship between government and civil society, particularly arising from the Non-Governmental Organizations Bill which is perceived to have the effect of undermining the operations of non-governmental organizations. This bill although passed by Parliament, it was not consented by the President and has been referred back to Parliament so as to take into account the concerns of civil society. There is thus mutual suspicion between government and civil society organizations. This mutual suspicion can be, therefore, a constraint to the full participation of civil society organizations.

There are data gaps which militate against effective monitoring and evaluation of MDGs. For instance, the delay in releasing the recent 2004 Poverty Assessment Study makes monitoring
poverty trends problematic. The last national Poverty Assessment Study was undertaken in 1995/96. The fluidity of the Zimbabwean political situation poses major challenges in maintaining up to date statistics necessary for policy development.

5.4 CONCLUSION

The discussion has shown that Zimbabwe has put in place a number of strategies in order to eradicate extreme poverty and hunger by 2015. However, the effectiveness of these strategies is being hampered by the country’s continued international isolation, a situation, which is exacerbating the country’s political crisis and economic decline. The absence of any meaningful donor support is, therefore, likely to delay the realization of the MDG targets. Whilst there are mechanisms for the participation of civil society, the mistrust between government and civil society organizations has the potential to undermine the full participation of civil society.
REFERENCES

6. MONITORING AND EVALUATION OF SUSTAINABLE DEVELOPMENT AND POVERTY REDUCTION PROGRAMME AND ENGAGEMENT OF CIVIL SOCIETY: THE ETHIOPIAN EXPERIENCE

H. Dinka and G. Aleme

6.1 BACKGROUND

Ethiopia’s economic reality reflects a sharp contrast between ample resources endowment and abject poverty. To redress the existing structural problem, a market based economic policy, which encourages sustainable development and poverty reduction has been taken as the country-level operational framework for progress towards the Millennium Development Goals (MDGs). To this effect, the poverty profile of Ethiopia and the analysis of growth and poverty linkages have been prepared during 2000/01 – 2002/03 as an interim poverty reduction strategy paper, to facilitate the preparation and implementation of the SDPRP, aimed at reducing poverty headcount by the year 2015 (MOFED, 2002). Likewise, sector development programs have articulated the Sustainable Development and Poverty Reduction Program (SDPRP) as the main focus of their interventions.

The Government’s overarching poverty reduction strategy recognizes the importance of maintaining macroeconomic stability and growth as the basis of poverty reduction. The strategy aims to reduce poverty through enhancing rapid rural and agricultural development, which fosters sustainable economic development not only in the agricultural sector but also in the rest of the sectors (MOFED, 2002). The SDPRP is a holistic document, through which the government aims to secure the support of stakeholders for its overall poverty reduction strategy and targets. The SDPRP builds on the various sectoral and regional policy documents, plans and budgets through which the development strategy is articulated. The implementation of the program involves monitoring of the implementation of planned activities and solving of the problems encountered in the process. The government has also committed itself in involving stakeholders including civil society organizations to participate in the preparation of the strategy document through various consultative meetings and also in monitoring the implementation of public policies that contribute to poverty reduction endeavors.

The objective of this paper is to provide some insights into Ethiopian experience in monitoring and evaluation of public policies for poverty reduction, policy impact and civil society involvement in the process. In the following sections, attempts have been made to highlight institutional arrangements for monitoring and evaluation of public policies, participation of civil society both in the preparation and monitoring of the program, major constraints to participation of civil societies, and data gaps. The last part is devoted to objectives and achievements so far made in implementing SDPRP in Ethiopia.
6.2 INSTITUTIONAL ARRANGEMENTS FOR MONITORING AND EVALUATION OF PUBLIC POLICIES FOR POVERTY REDUCTION

Monitoring and evaluation of poverty reduction strategy requires effective institutional structures and appropriate capacity as well as strong grounding in different techniques and methodologies (UNDP, 2003). In addition to technical knowledge, enforcement capacity and adequate experience in the area are also worth of attention for effective monitoring system. Consequently, as poverty reduction activities are intimately linked to overall resource allocation decisions, the Welfare Monitoring Unit (WMU) established under the Ministry of Finance and Economic Development (MOFED) and the Central Statistical Authority have been the key actors in monitoring the Ethiopian poverty reduction program; the latter through collecting household level data, and the former via undertaking in-depth analysis of the data and producing inputs for policy decisions and interventions.

Although the Welfare Monitoring Unit has the mandate to coordinate the system, existing regional and sectoral channels are used for data collection, monitoring and evaluation. To this effect, core institutions/ministries have formulated their sector development programs, program management systems, monitoring, and evaluation mechanisms defining the roles of different actors. Likewise, operation is designed on a multi-stakeholder mode where Government agencies, donors, private organizations and civil societies are considered as the main actors in monitoring and evaluation of the SDPRP. With these arrangements, data for monitoring is obtained from sectors and regional monitoring units that have a structure down to the district level.

6.3 CIVIL SOCIETY PARTICIPATION IN THE PRS PREPARATION

As pointed out in the UNDP poverty report for 2000, one of the several principles underlying the development and implementation of poverty reduction strategies is that it should involve broad-based participation by civil society and the private sector in all operational steps. The Ethiopian Poverty Reduction Strategy Paper also envisages the participation of civil society organizations including NGOs so that they also own the program and realize the goals of poverty reduction as targeted in the sectoral programs and strategies. The Program document states that communities, the private sector, NGOs and Civil Society Organization (CSOs) have to play their part in a coordinated manner to effectively discharge their responsibility in attaining targets for reducing poverty.

Accordingly, the Government structured the PRS consultations to cover 115 out of some 600 districts of the country with about 50 participants in each district – aimed at broad representation of stakeholders, including NGO’s engaged in development/poverty reduction-related activities. The consultations at the district level involved women’s groups, district-level civil servants and elected officials, as well as locally active civic societies. The main intention was to brainstorm the participants in the PRS process to facilitate program implementation.

6.4 ROLE OF CIVIL SOCIETY ORGANIZATIONS IN MONITORING AND EVALUATION

The fight against poverty should involve both the state and non-state actors, including civil society and the private sector. According to Henry (2004) genuine civil society participation
in formulation, implementation and monitoring of poverty reduction strategies can indeed increase the input and improve the transparency and accountability of government actions through increasing awareness and understanding. Civil society could play a significant role in the PRS monitoring and evaluation phase, by creating a ‘second track’ of monitoring, a system with impartiality and thus credibility (Inter Africa Group).

Most civil society organizations in Ethiopia are development stakeholders, and have grassroots level rich experience and pioneering perceptions to contribute to poverty reduction endeavors and in monitoring the process. The Joint Assessment by IMF and IDA Staffs (2004) on the first Annual Progress Report (APR) on Ethiopia’s Poverty Reduction Strategy implementation states that preparation of the APR benefited from consultations with a range of non-government institutions. However, the role of both indigenous and international civil society organizations is mainly limited to providing information to government agencies on their operations and receiving some socio-economic information from government at all levels. From the practical point of view, accessing the necessary information from the district and regional level is not an easy task for civil society organizations mainly due to inadequate capacity of the concerned government agencies and civic organizations themselves both in information infrastructure and manpower to collect and compile local development information and indicators in a way suitable for planning and monitoring changes.

Moreover, the involvement of civil societies in the monitoring and evaluation of the SDPRP lacks proper coordination and sustainable participation. In addition the existing practice indicates that the participation of civil society organizations in Ethiopia is not at the level of influencing poverty reduction policy dialogue.

6.5 MAJOR CONSTRAINTS IN PREVENTING CIVIL SOCIETY FROM MONITORING AND EVALUATION

Inter Africa Group states that monitoring and evaluation of the PRS provides a new challenge for civil society. Civil society monitoring tends to be most effective at the local level, where government budgets are small and civil society capacity and coverage may be extensive. Yet the PRS is a national document setting national priorities, providing little scope for local-level monitoring. While civil organizations have been involved in formal consultations over the preparations of a number of sector-specific policies in the past years, increasing non-government and local government involvement in SDPRP implementation and monitoring remain a challenge. Some of the major constraints to effective role of civil society organizations in monitoring and evaluation of the Ethiopian SPRP process among others include:

- Lack of effective monitoring and evaluation system that involves civil society organizations;
- Weak regional Government institutional capacity to coordinate development endeavors and hence poverty reduction related programs;
- Lack of explicit target of the programs at the local level;
- Shortage of skilled manpower at key government institutions responsible for collecting and compiling SDPRP indicators & information; and
- Inadequate information infrastructure at the local level.
Hence, in order to effectively make use of the potentials of civil societies' contributions in poverty reduction programs, it will be important to continue to strengthen the multi-stakeholder monitoring and evaluation system, to deepen participation of civil society and lower tiers of government in the implementation of the SDPRP (IMF & IDA 2004).

6.6 DATA ON MONITORING AND EVALUATION

Ethiopia already has had some database both to analyze poverty and to monitor progress in the future. According to SDPRP document, monitoring of administrative data take place in the sectors that have developed Sector Development Programs – education, health and roads, in particular. The national survey and administrative data are complemented by participatory studies, notably the 1997 Participatory Poverty Assessment (PPA) and the consultations conducted from Woreda level upwards for the development of the SDPRP itself. In addition, there are various non-government surveys and monitoring systems that augment the information available from official data. However, there is data and capacity limitation for effective program monitoring and impact assessment, particularly at the lower administrative units.

Given the government’s policy to decentralize responsibility and resources to the district level, beginning from 2002/03 it is hoped that the districts capacity would be enhanced in generating pertinent information that will enable the monitoring of poverty level and evaluating the impact of various targeted poverty reduction interventions at lower spatial level. However, such decentralization measures need time, resources and capacity building to effectively utilize the system for monitoring and evaluation purposes.

6.7 OBJECTIVES AND ACHIEVEMENTS OF ETHIOPIAN SDPRP

The SDPRP preparation has contributed to significant improvement in documenting the poverty profile, source of growth, policy linkages and objectives. With these background documentations, the implementation of the program has started in 2002/03 and currently in the third year of implementation. The implementation of the program has been taking place in a country where there is widespread abject poverty, under the context of continuing food insecurity pressure, susceptible environment and financial and capacity limitations (MOFED, 2005).

However, there has been progress and signs of improvement in agriculture and food security, investment in basic services (education, health, water, roads) and share of poverty targeted spending (MOFED, 2005). One of the strategies used by the government to promote economic growth and reduce poverty is through increasing poverty-reducing spending within the annual budget of a country. Accordingly, the share of poverty targeted spending in the total budget has increased from 41.9% in 2002/03 to 53% in 2003/04. The program has contributed to macroeconomic stability and the capacity to cope up with incidences such as drought. The major objectives and outcomes of the SDPRP are indicated in Table 6.1.
Table 6.1: Summary of Main SDPRP Objectives and Outcomes for the Years 2002/03 and 2003/04

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty and growth</td>
<td>GDP growth to create employment and income</td>
<td>Target for 2003/2004 6.7%</td>
<td>-3.9%</td>
<td>11.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture and food security</td>
<td>Food security budget from treasury</td>
<td>-----------</td>
<td>150 million Birr</td>
<td>1 billion Birr</td>
</tr>
<tr>
<td></td>
<td>Farming households covered by extension</td>
<td>6 million</td>
<td>4.1 million</td>
<td>4.5 million</td>
</tr>
<tr>
<td></td>
<td>Quantity of fertilizer consumption</td>
<td>1.089.000 MT</td>
<td>277,000 MT</td>
<td>322,938MT</td>
</tr>
<tr>
<td></td>
<td>Quantity of improved seed sales</td>
<td>710,000</td>
<td>159,220 quintals</td>
<td>204,032 quintals</td>
</tr>
<tr>
<td>Education</td>
<td>Gross primary enrolment (1-8)</td>
<td>66%</td>
<td>64.4%</td>
<td>68.4%</td>
</tr>
<tr>
<td></td>
<td>Girls/Boys ratio</td>
<td>.79</td>
<td>.72</td>
<td>.80</td>
</tr>
<tr>
<td></td>
<td>Student teacher ratio (1-8)</td>
<td>63 for 2002/2003</td>
<td>64</td>
<td>65</td>
</tr>
<tr>
<td>Health</td>
<td>Access to health service</td>
<td>65%</td>
<td>61%</td>
<td>64%</td>
</tr>
<tr>
<td></td>
<td>Contraceptive prevalence rate</td>
<td>23.5% by 2003/04</td>
<td>21.5%</td>
<td>23%</td>
</tr>
<tr>
<td></td>
<td>Immunization coverage (DPT3)</td>
<td>55% by 2003/04</td>
<td>50.4%</td>
<td>60.8%</td>
</tr>
<tr>
<td>Water</td>
<td>Access to clean water at national level</td>
<td>39.4%</td>
<td>34.1%</td>
<td>37.9%</td>
</tr>
<tr>
<td>Roads</td>
<td>Road network density</td>
<td>32.3km/1000km²</td>
<td>31 km/1000 km²</td>
<td>33.2km/1000 km²</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Prevalence</td>
<td>Contain prevalence at 7.3%</td>
<td>6.6%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Public expenditure</td>
<td>Share of poverty targeted spending in total budget</td>
<td>-----------</td>
<td>41.9%</td>
<td>53.3</td>
</tr>
</tbody>
</table>

6.8 SUMMARY AND RECOMMENDATIONS

The Ethiopian SDPRP is a holistic document, through which government aims to secure the support of stakeholders for its overall poverty strategy and targets. The SDPRP builds on the various sectoral and regional policy documents, plans and budgets through which the development strategy is articulated. The government has also committed itself in involving civil society organizations to participate in the preparation of the strategy document through various consultative meetings and also in monitoring the implementation of public policies that contribute to poverty reduction endeavours. However, the involvement of civic societies in the monitoring and evaluation of the SDPRP lacks coordination and sustainable participation.

The SDPRP preparation has enabled improvement in documenting the poverty profile, source of growth, policy linkages and development objectives. There has been progress and signs of improvement in agriculture and food security, investment in basic services (education, health, water, roads) and share of poverty targeted spending in the national budget. Moreover, the program has contributed to macroeconomic stability and the capacity to cope up with incidences such as drought. However, reduction of poverty requires adequate resources and time and also continues to be the core of the agenda of the country’s development and politics.

In order to mitigate some problems of monitoring and evaluation of the program and also improve the participation of civic society organizations in the whole process, the following key areas of intervention have been suggested:

- Stakeholders’ capacity in monitoring and evaluation of the program should be enhanced at all levels through various capacity building programs;
- The program’s capacity in taking corrective measures identified in the process of implementation should be given due attention; and
- The involvement of civil society in monitoring and evaluation should be enhanced so that their potential contributions be effectively utilized and deepen their participation particularly at lower administrative units.
REFERENCES


7. POLICY-BASED APPROACHES TO POVERTY REDUCTION IN KENYA: STRATEGIES AND CIVIL SOCIETY ENGAGEMENT

Patrick O. Alila and Enos H. N. Njeru

7.1 INTRODUCTION

The critical challenge facing Kenya is to raise the rate of economic growth to levels incorporating broad-based improvement in the standards of living and well-being of Kenyans in order to reduce poverty which has increased rapidly in the recent past (PRSP, 2000).

Kenya’s economic growth rate declined dramatically from an average of 6.6% in 1970s to 4.2% in 1980s to an average 2.1% in the 1990s. The living conditions of the vast majority of Kenyans are deteriorating rapidly. There is a marked increase in the number of people unable to access clean water, clothing, shelter, health services and education. Unemployment is a problem in Kenya. Average unemployment is at 23%, and is even higher for youth that drop out of school and for women, averaging 25% in both cases (Chune, 2003). Government services in many cases are no longer available. Growing disparities in access to services have further undercut the living conditions of low-income households. School enrolments, infant mortality and life expectancy have deteriorated (UNDP, 2002).

Kenya’s economic objectives of growth, poverty reduction and improved resource utilization and access have remained essentially the same since independence. The quest for sustainable socio-economic development has however been a challenging endeavor, influencing some policy shifts. The strident call has basically centred on poverty reduction, inclusion of those excluded from the enjoyment of the benefits of economic growth and the redistribution of productive resources. What have consequently changed are the strategies to achieve the objectives of sustainable human development focusing on improving the quality of life of the majority poor.

Poverty reduction broadly defined requires processes that help people to improve their capabilities and functioning, that enable them to take charge of their affairs (Gondi, 2005). Kenya has come up with many poverty reduction policies since independence, most of which have had little success. The previous pre-1990s poverty reduction policies erroneously assumed that the benefits of rapid growth of key sectors such as industry, service and agriculture would automatically trickle down to all sectors of society. So more effort was injected into improving economic performance (export incentive, agricultural food processing, etc.), at the expense of promoting societal welfare enhancing projects. For example, some policies like the rural and informal sector development did not receive the much-needed political will and required resource allocation, to be effective.
7.2 EFFORTS IN POVERTY ERADICATION IN KENYA

The Government of Kenya has made commendable efforts to alleviate poverty and improve the welfare of Kenyans. Some of the recent significant government strategies worth noting include:

7.2.1 The Social Dimensions of Development (SDD) Programme

The SDD programme launched in 1994 recognized that the institutional and economic reforms of the 1980s reduced the provision of basic needs for the poor, resulting in the loss of jobs, erosion of purchasing power and reduction/removal of a number of important government subsidies. The aim of the programme was therefore to cushion the poor against the adverse effects engendered by the economic reforms of the 1980s. Despite the government’s commitment to the SDD programme, exemplified by allocation of KShs 5.58 million in the 1994/95 budget, the funds were not enough and a significant amount of the money was spent on non-poverty alleviation projects. Therefore the poor did not feel its impact and increasing numbers drifted into poverty.

7.2.2 The National Poverty Eradication Plan (NPEP) 1999-2015

The government came up with a strategy to reduce poverty incidence in rural and urban areas by 50% by the year 2015 and also strengthen the capabilities of the poor to earn income. NPEP was launched in 1999 as a result of failure to combat poverty through national development plans and poverty-specific programmes. The aim of NPEP is to provide a national policy and institutional framework for action against poverty. NPEP was formulated through extensive consultations and participatory action involving civil society, NGOs and Government agencies. This approach was particularly useful in poverty analysis for the Poverty Reduction Strategy Paper (PRSP) that followed.

7.2.3 The Mid-Term Expenditure Framework (MTEF)

The government of Kenya came up with MTEF, a three-year rolling plan to budgeting that links policies, planning and budgeting. One of its objectives is to formulate the budget in the context of a more consultative process involving all stakeholders. MTEF is carved out of the NPEP’s 15 years program.

7.2.4 Poverty Reduction Strategy Paper (PRSP) 2000-2003

The PRSP has been termed the hitherto most comprehensive and most focused policy document in the fight against poverty since independence (Omiti et.al., 2002). It complements other poverty reduction efforts such as NPEP. The paper aims at facilitating sustainable, rapid economic growth; improve governance and security; increase the ability of the poor to raise their incomes; and improve the quality of life of all citizens especially the poor. One of the positive aspects of the PRSP is that it draws from the failures of the past policies. A consultative and participatory approach was used in its preparation, which involved various stakeholders within and outside the government. The NGOs Working group on the World Bank, under the auspices of the NGOs Council, gave very useful inputs into the PRSP documents (Hughes, 2002).
7.2.5 National Development Plans

Kenya has had 8 National Development Plans since independence. Usually the development plans cover a 5-year period but there have been exceptions such as in 1994 when the then Development Plan covered a 3-year period and the current 9th Development Plan, which covers seven years (2002-08). The Table below shows the poverty reduction policies and the focal content of each of the Development Plans:

**Table 7.1: Poverty Reduction Policies and the Focal Content of Each of the Development Plans**

<table>
<thead>
<tr>
<th>Policies</th>
<th>66-70</th>
<th>70-74</th>
<th>74-78</th>
<th>79-83</th>
<th>84-88</th>
<th>89-93</th>
<th>94-96</th>
<th>97-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in national and per capita incomes</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Kenyanisation</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Increased role of government in social and economic development</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Expansion of the formal education system/UPE</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Free medical services</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural development</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Equal distribution of income through taxation, price and wage controls</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Self-employment/informal sector</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Expanded health infrastructure</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Urban housing</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Social welfare/community development through self help movements</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Family Planning and maternal child health</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Price controls of basic necessities required by the poor</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Emphasis on prevention of disease/promotion of health care in rural areas</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Rural development and district planning</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Increased efficiency in the public sector</td>
<td>✓</td>
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<tr>
<td>Limit the role of government to provision of essential and strategic services (leave commercial activities to private sector)</td>
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<td>✓</td>
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<td>Incentives/opportunities for private domestic savings</td>
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<tr>
<td>Incentives to promote increased role of private sector in the provision of social services and development</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Provision of expanded basic needs in education and health through cost-sharing</td>
<td>✓</td>
<td>✓</td>
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<td>Market-oriented strategy/liberalization to mobilize resources for growth and economic development</td>
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<td>Tight fiscal and monetary policies/financial discipline</td>
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<td>✓</td>
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Source: Omiti, et al., 2002
In September 2000, 191 member countries of the United Nations adopted the MDGs declaration, which outlined actions that were perceived as necessary for attainment of security, peace and development. This endeavour also mainstreamed some mutually reinforcing and interconnected goals into some global agenda. Subsequently, an agreement between the UN, World Bank, the International Monetary Fund and OECD/DAC was reached on the primary elements of a framework for a global agenda designed around goals, targets and indicators (UNDP, 2003). This is what was collectively described as Millennium Development Goals (MDGs) and sets global targets for 2015. These include:

- Halving extreme poverty and hunger (1990-2015);
- Achieving universal primary education (by 2015);
- Promoting gender equality (by 2015);
- Reducing under-five mortality by two-thirds (1990-2015);
- Reducing maternal mortality by three quarters (1990-2015);
- Reversing the trend of HIV/AIDS, malaria and TB (by 2015);
- Ensuring environmental sustainability (by 2015);
- Developing global partnership for development with clear targets for aid, trade and debt relief (by 2015).

Two main principles guide the MDGs, namely national ownership so that processes and products for tracking progress are nationally-inspired and driven, as well as the development of capacity for monitoring and use of data for informed programming of activities and making of policies. The government of Kenya, has taken a leading role in the realization of MDGs, and with the assistance of development partners frameworks and initiatives such as the PRSP 2001, the government’s Economic Recovery Strategy for Wealth Creation and Employment-2003, the New Partnership for Africa’s Development (NEPAD)/ African Peer Review Mechanism (APRM) - 2004, Common Country Assessment by the UN, the UN Development Assistance framework, and frameworks from Kenya’s other development partners (UNDP, 2003) have been put in place. These frameworks, in part, are aimed at attainment of MDGs.

The MDGs are closely linked to NEPAD initiatives, hence the government’s setting up of an NEPAD office, which also caters for MDG activities within the Ministry of Planning and National Development.


The poor performance of the Kenyan economy over the last two decades has led to deterioration in the quality of life of Kenyans. When the National Rainbow Coalition (NARC) Government took the reigns of power in 2002, it embarked on a strategy to revitalize the economy and return it back to the path of high and sustainable economic growth. The government thus formulated the Economic Recovery Strategy Paper 2003 as the blueprint meant to guide the Government’s economic policies over the next five years. Thus the NARC Government has placed economic recovery on top of its policy agenda in order to reverse decades of slow and in some cases stagnating economic growth, that has adversely undermined the well-being of Kenyans (Kenya, Government, 2004). The overall objective of the strategy plan, ERS as
it is often referred to, is to harmonize strategies for accelerated economic growth with the country’s poverty reduction strategies and the ideals outlined in the NARC Manifesto. In the ERS the government has proposed the following Poverty Targeted Programs:

- The Social Action Fund;
- Arid and Semi-Arid Lands;
- Slum Upgrading and low-costing Housing;
- Vulnerability Program; and
- Investment Program.

The ERS is a participatory approach involving all stakeholders nationally and at the community level towards a common goal, which is economic recovery and poverty reduction (Gondi, 2005).

### 7.5 ENGAGEMENT OF THE CIVIL SOCIETY IN POVERTY REDUCTION EFFORTS

Presently there is little or no doubt that the participatory approach is top among the prevailing methodologies in development organization for local level and enhanced community mobilization and decision-making (Njeru, 2005). This has not always been the case. In the colonial era all development activities were centred around the government, which formulated and implemented policies. The post-colonial period was characterized by efforts to correct the development imbalances created by the previous colonial government. The emphasis was more on economic development, which embraced the trickle-down approach to development. It was argued that the weaknesses of the indigenous private sector in most African states made it necessary for the state activity to expand into the economic field (Alila, 2005). This led to a strong centralized public bureaucracy, which had negative consequences such as poor service delivery. When the government failed in its service delivery mechanisms, the third sector (civil society) came up to fill the gap. Civil society (CS) also grew rapidly because the donors, having lost faith in the government, decided to channel their funds through non-government organizations (NGOs) and community-based organization (CBOs). This brought about tension and suspicion between the government and CS. It was soon realized that the government, as well as other neglected sectors e.g. the private sector were important to the development process. The government later on embraced decentralization and Local Government Reform programmes with the aim of “bringing government closer to the people, improving economic governance, public service delivery, economic efficiency, accountability and transparency” (Mitullah, 2005). Today the participatory approach, which brings together policymakers, implementers, CS, local communities and other stakeholders, is used in all development activities. There is a “current pervasive level of interest in decentralization and the trend logically linked to central governments having a relatively much more positive perception of the NGOs, other elements of the civil society and the private sector as stakeholders in the development process” (Alila, 2005).

The CS organizations which, include non-governmental organizations (NGOs), Community-based Organization (CBOs), trade unions, human rights organizations, religious organizations and consumer groups are very active in poverty reduction activities, especially at grassroot levels. CS mobilize resources by empowering grassroots organizations to articulate issues, strengthen their organizational capacity and influence the direction of their lives. The CBOs
such as women's groups engage in income-generating activities, which contribute to their empowerment both economically and politically and by implication, poverty reduction. The CS organizations have also been very active in monitoring and evaluation of poverty reduction efforts. For example, participation in the implementation and progress report of international convention declarations such as World Summit on Sustainable Development (WSSD) and the MDGs. The CS, together with other stakeholders were also involved in the preparation of the WSSD assessment report and the MDGs Progress Report 2003.

7.6 CIVIL SOCIETY ENGAGEMENT IN THE PRSP MONITORING AND EVALUATION

The nature of civil society participation in the PRSP process was left undefined (Hughes, 2002). It must however be appreciated that the development of PRSP in 2001 was the first major case of participatory method in policy formulation in Kenya where nearly all stakeholders, notably the poor, marginalized groups, civil society, private sector and the government came together to consult and write a policy paper. While the methodology used was participatory, many in the civil society saw the process as mainly consultative.

Although the PRSP is still at its infancy, the Kenyan government has embarked on designing a monitoring and evaluation system. The CS needs to be involved at the monitoring and evaluation in order to facilitate policy translation into practice. There is much scepticism regarding the government’s leadership in the monitoring, however, due to signs that the consultation and feedback appear to be failing (Hughes, 2002). There appears at any rate to be potential in the Kenyan Impact Monitoring (KePIM) exercise - a project carried out by GTZ’s Social Policy Advisory Services (SPAS) project located at the Ministry of Finance, the Poverty Eradication Commission (PEC) and Central Bureau of Statistics (CBS). Also a Participatory Methodologies Forum of Kenya (PAMFORK) steering committee member has been nominated to the monitoring and evaluation task force encouraging local NGOs input and involvement in the process. The key guidelines for effective scaling-up quality CS participation include:

- Adoption of a learning approach to the process on the part of all actors;
- Accepting the need for sufficient time. Quality participation demands space for trials and errors;
- Recognition of governance issues (i.e. taking into account representation and accountability questions on the part of all actors); and
- Self-reflection around institutional strengths and weaknesses; this as a good basis for strategic and effective alliances and partnerships.

7.7 ARRANGEMENTS OF MONITORING & EVALUATION IN PRSP

The Monitoring and Evaluation (M&E) system adopted for the PRSP is designed to provide a continuous tracking and feedback mechanism to all stakeholders in the process, especially the poor themselves (Kenya, Government 2003). The PRSP adopts the principle of participatory M&E by a wide range of stakeholders in public, private and civil societies and the general public. The strategy seeks to:
Assess whether priorities agreed upon in the PRSP have received the required resources. All implementing agencies i.e. public, private and civil society sectors are expected to put in place efficient resource allocation mechanisms;

Assess efficiency in the implementation of the budget;

Assess efficiency in utilization of resources geared towards poverty reduction;

Assess the effective participation of all stakeholders in the implementation of the PRSP; and

Carry out periodic impact assessment of various interventions and initiatives and programmes undertaken by stakeholders in the process.

The strategy will be implemented within a national framework that involves stakeholders at different levels of the economy. The national level incorporates the national policy making organ in the government (as well as National Stakeholders Forum, Thematic Groups, Sector Working Groups and Development Partners) and implementing agencies (ministries, civil society, private sector, local authorities etc.). At the district level the District administration, government departments, NGOs, religious organizations and other stakeholders will be involved. And the community level will involve CBOs, households and other stakeholders.

The government has utilized the outputs of the several studies that were initiated within the framework of PRSP to inform the process of establishing an appropriate institutional framework for monitoring and evaluation of the ERSWEC and reporting on the MDGs (Kenya Government, 2003).

### 7.8 CHALLENGES OF THE CS ENGAGEMENT IN PRSP PROCESS

These are reflected through such questions as:

- How do CS warm up relations with government without compromising their respective values and autonomy?
  - First step would be for donors to convince government of the value of the CS capacity building and involvement in PRSP processes. How do the concerned actors do this?
  - How can equal partnerships between local CS actors, donors and international NGOs be built?
  - How can the PRSP process be nationally driven?
  - Openness to information sharing between different organizations will require a shift in institutional cultures, a transition from closed and competitive institutional attitudes built on mistrust to more transparent and sharing cultures.

- How can consultations or Participatory Poverty Assessment (PPAs) avoid being extractive and actually build capacity to advocate their own rights among the poor? How can consultations and PPAs be designed so as to avoid raising false expectations?
REFERENCES


8. A CASE OF DEVELOPING A MONITORING AND EVALUATION SYSTEM FOR POVERTY REDUCTION STRATEGIES IN KENYA

Peter B. Ondieki

8.1 ROLE OF MONITORING AND EVALUATION IN POVERTY REDUCTION

8.1.1 Background

The subject of monitoring and evaluation (M&E) has received insufficient attention in Kenya's development planning context. From the time of independence in 1963 up to the 1990s government planning did not incorporate any meaningful M&E system. For example, the Sessional Paper No 10 of 1965 on African Socialism and its Application to Planning in Kenya that advocated for the application of government resources in productive sectors of the economy did not provide for any specific processes for either monitoring the effectiveness of service delivery, or the efficacy of policy implementation. It was not until 1983 when District Focus for Rural Development (DFRD) Strategy was introduced that a framework for M&E was provided through the setting up of Provincial M&E Committees.

Unfortunately, instead of the spirit of the DFRD being replicated in subsequent planning and policy documents, this was not the case. As a case in point, the National Poverty Eradication Plan (NPEP) 1999 – 2015 which promotes a long-term approach to development, while advocating for the use of a participatory approach in development planning did not spell any clear mechanisms for a comprehensive and plausible M&E institutional framework.

However, it was not until the late 1990's that M&E system started being integrated into the planning and implementation process. This started with the Government facilitation of the production of a Poverty Reduction Strategy Paper (PRSP) to provide a medium-term strategy to reduce poverty. The PRSP process was different from all other strategies in that it set focused targets and involved multiple stakeholders through a participatory planning approach and identified M&E as an integral part of the program planning and implementation. Although PRSP in principle recognized the need to take a people-based approach to identification, implementation and M&E, it did not define the specific roles of local authorities, provincial and district structures in operationalising and monitoring development programmes.

The above weakness in the design of PRSP necessitated the development of the Kenya Rural Development Strategy (KRDS), which redefined the role of local level institutions/communities in the identification, implementation and M&E of development programmes. KRDS drew lessons from other attempts to reform devolved structures (e.g. LATF) but did not take off due to strong opposition to a radical reform of central and local governments, particularly with regard to fiscal and administrative (functional) aspects.

The broad historical trends in the development of M&E system as outlined above highlights the relatively dismal attention that has been paid to M&E to date. However, development-
planning efforts in this millennial decade show a far greater appreciation of the need for M&E than those of Kenya's earlier years. This is suggestive of an interesting, gradual realization within government about the ways in which policies affect people, which itself suggests that participation is at the core of effective policy implementation, but more importantly, that participation at the level of M&E is necessary as the people's "check and balance" versus government.

While it is reasonable to suggest that M&E as an all-embracing management approach was not present within government, several arrangements did exist within government that were capable of being classified as M&E-related. These arrangements could be found within various institutions (line ministries, sectors, programmes and projects). However, they were “stand-alone” and no efforts at integration were evident. In general, M&E in Government had been primarily concerned with tracking budgetary disbursements and expenditures. There have been limited efforts towards reporting on processes, outputs, and final outcomes. Monitoring within donor programmes, on the other hand, was to comply with internal procedures, generally designed to meet funding conditionalities. In effect, there had been little attempt to advance M&E to analyzing the outcomes and the social impacts of interventions.

8.1.2 Steps taken towards Establishment of the National M&E System

In coming to power in January 2003, the new National Rainbow Coalition (NARC) government decided to devise an economic agenda based on its campaign promises. The government consulted widely at national level to come up with the Policy document named “Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC) or simply ERS”. The ERSWEC had to borrow heavily from the three-year full PRSP for 2001-2004 because the process for its preparation was comprehensively consultative and participatory. Kenyans at all social levels shared in the process. Prominence is given to M&E as a good governance tool in the formulation of ERS and especially its investment programme called IP-ERS.

Several important steps have been taken towards the implementation of the national M&E system for IP-ERS. These include:

- The establishment of the Monitoring and Evaluation Department within the Ministry of Planning and National Development charged with guiding the implementation of the national M&E system.
- The creation of a National Steering Committee for M&E which brings together stakeholders from the government development partners and non-governmental sectors to provide oversight to the implementation of the national M&E system.
- The definition of a national institutional structure for implementation of the national M&E system. This structure, which was based on the findings of a Task Force established for the purpose, includes two complementary sub-structures:
  
  i. A Central Structure which brings together the line ministries and other bodies and stakeholders (including non-governmental stakeholders at the central level), to provide central level reporting on the programmes of the IP-ERS (see Annex 1).
  ii. A Devolved Structure, based on the key public and non-governmental players at the local (district) level (see Annex 2).
8.1.3 Civic Engagement in the National M&E System

The IP-ERS document and the strategy for implementation of the national M&E system developed by the Monitoring and Evaluation Department (MED) in Ministry of Planning and National Development make it clear that the National M&E System should be truly national in character. That is to say, the system is not confined to the public sector, but is intended to be national in scope, reflecting the national scope of the IP-ERS and the important role of non-governmental stakeholders (the term “non-governmental” is used in the broad sense of the term to designate all stakeholders which are not part of the public sector, i.e. including civil society, faith-based organizations, the private sector, the academic community and development partners). In line with this desire the national institutional structure for M&E, which has been based on the recommendations of the Task Force on the topic in 2003 and of subsequent developments in the piloting of M&E at district level, makes provision for the inclusion of non-governmental stakeholders in both the central and the devolved structures. In addition, non-governmental stakeholders are represented on the National Steering Committee for M&E, and the MED has taken care to provide for substantial consultation with non-governmental stakeholders in the preparation and finalization of the Annual Progress Report on the IP-ERS for 2003/04 which was recently presented to the donor Consultative Group.

Nevertheless, while it is clear that there is a strong desire on behalf of the government and a high level of interest among the non-governmental stakeholders to be participating fully in the national M&E system, the modalities for such participation have not yet been adequately defined. There is a danger in this situation, that the non-governmental stakeholders will be placed in an ancillary role rather than a pro-active role unless positive steps are taken to clarify and strengthen their participation.

The following issues are raised for discussion in order to enhance non-governmental participation in the National M&E System:

(i) The need for capacity building and institution building in the non-governmental sector. The non-governmental sector comprises a wide range of types organization, which differs in orientation, resourcing, institutional development and capacity to provide a consensus in view on issues arising in M&E. For example, in the case of the private sector, while some steps have been taken to promote an institutional forum for the private sector through the creation of Kenya Private Sector Alliance (KEPSA), this organization is still far from being able to provide a strong and unified view from its constituent members: the sector organizations remain weak in most sectors, and are typically under-resourced to perform their functions. The situation is complicated by underlying conflicts of interest between different lower level groups over appropriate policies in such areas as trade, labour and protection. Similar observation can be made concerning other categories of non-governmental stakeholders, such as the NGOs, the CBOs or the academic community. The implication is that, while it is relatively easy to obtain the view of particular organizations as a component of M&E stakeholder consultation, it is much more difficult to obtain views which can be accepted as commanding consensus from the non-governmental stakeholders, or which have been developed on the basis of strong internal participatory processes within the various groups of non-governmental stakeholders.
(ii) Several initiatives are currently being launched which aim specifically to support the institutional capacity for M&E processes within the non-governmental sector. Examples are the up-coming project of the Ministry of Trade and Industry in support of capacity development in the private sector; also the proposed support financed by DANIDA to work with NGOs to further the development of participatory M&E processes within the districts, in areas such as the management of the funds disbursed through district and constituency level committees (the Constituency Development Fund, the constituency HIV/AIDS fund, the bursary fund, etc.).

(iii) These initiatives are fully consistent with the essentially decentralized approach to development of the National M&E systems. This is based on the development of national reporting for M&E on the basis of development of M&E on a decentralized basis in all organizations in the country, including both those at central level (line ministries and SAGAs) and at devolved level.

(iv) Roles of non-governmental stakeholders in M&E: there are several distinct types of contribution, which the non-governmental stakeholders can play in the national M&E system.

These include:

(a) Reporting on their own activities and contributions to the development process and achievement of IP-ERS objectives. This is especially important in areas where non-governmental players are key and leading players, such as in development of the private sector of the economy, delivery of services through non-governmental channels, etc.

(b) Providing a critical view of the efforts of the government and of the claims made by the government organizations in the latter’s M&E reports and contributions to the national M&E system. In other words the non-governmental players should be encouraged to play a watch-dog role with respect of the public sector;

(c) Working with the MED to develop conclusions and recommendations in the annual reporting cycle. Ideally the conclusions and recommendations presented in the Annual Progress Report on the IP-ERS should be a consensus developed jointly by the government and non-governmental sectors. As such they would command increased respect and attention both in national fora (Cabinet, Parliament) and in discussions with the country’s international development partners. The non-governmental stakeholders could reach the point where they are able to submit their own prepared comments and observations on the IP-ERS processes as a routine part of the dialogue with government.

8.2 POLICY ORIENTATION OF INVESTMENT PROGRAMME FOR ECONOMIC RECOVERY STRATEGY (IP-ERS)

As can be discerned from available data, Kenya’s past development effort has generally, not resulted in any spectacular change in peoples quality of life. Development efforts have been carried out through five-year development plans, which were implemented through annual budgetary processes. Extremely weak economic growth rate, well below the rate of population growth in the last 13 years period 1990-2003/04; an ever steeper imbalance in income and wealth distribution (Gini coefficient of 0.57); falling rates of domestic investment and savings as well as foreign investment; and a degradation of its material and social infrastructure and public services mark Kenya’s steady economic and social decline since 1990. The negative trend of the recent decades is quantitatively reflected in the depressing state of the socio-

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economic indicators derived from surveys and studies undertaken in the 1980s and 1990s that also provide baseline data for Kenya’s poverty reduction strategy, e.g.

- Kenya Household Budget Survey 1981/82
- Kenya Poverty Profiles
- Kenya Welfare Monitoring Survey I, II & III
- Annual Economic Surveys and Statistical Abstracts by CBS
- Kenya Poverty Assessment by the World Bank
- Sectoral reports produced from their management information systems
- Participatory Poverty Assessments undertaken at the same time as Welfare Monitoring Surveys
- Kenya Demographic and Health Surveys
- Poverty Mapping

In Kenya no PRSP has been completely implemented and hence no evaluation from overall PRSP implementation exist. Formulation of the ERS has benefited from surveys and studies mentioned above and other previous policy document. In particular the ERS draws heavily from:

- The NARC’s action platform “Manifesto on Democracy and Empowerment”
- The NARC action programme adopted after the election.

The ERS is based on four pillars namely:

- Rapid economic growth in an environment of macroeconomic stability
- Strengthening of institutions of governance
- Rehabilitation and expansion of physical infrastructure
- Investment in the human capital of the poor

Although a number of stakeholders were involved in the preparation of the ERS, its perspective was too broad for a poverty reduction strategy. In such a broad programme, the direct poverty reduction objective was left in the background by the focus on the overall growth strategy which could do more than combat poverty directly. Government was therefore hard pressed to develop a strategy to reduce poverty that is more focused in order to qualify for donor support. A policy document arising from this consultative process was the “Investment Programme for Economic Recovery Strategy (IP-ERS) 2003-2007” that had the following three pillars:

- Rapid economic growth within a stable microeconomic environment
- Equity and poverty reduction
- Good governance

The IP-ERS with its clear financing strategy was finally adopted as a poverty reduction strategy in May 2004 and hence Kenya’s PRSP. Policy objectives in the matrix (see annex 3) provide an indication on the macro and sectoral policies orientation of the IP-ERS. For purposes of the overall monitoring and evaluation of the IP-ERS, the Ministry of Planning and National Development, in collaboration with other stakeholders, has defined a summary set of 31 outcome indicators (see annex 3) which aim to provide an overview of IP-ERS
implementation process as a whole. It is intended that these 31 outcome indicators should form a continuing basis over several years for overall monitoring and evaluation and for periodic reporting to stakeholders including domestic non-governmental agencies and external development partners. The 31 indicators selected for summary reporting are not an exhaustive set of outcome indicators for the IP-ERS. They were priority indicators selected out of 186 indicators identified during stakeholder consultations. In general ministries and other stakeholders can define and use several outcome indicators, which do not feature in the summary list of 31.

The indicator selection took into account the need to cover most if not all the MDGs (10 out of 31 outcome indicators relate directly to MDG targets). Also taken into account is the prior selection of outcome indicators already established for use in the monitoring of budget support from major donors. When possible, appropriate outcome indicators are quantitative and disaggregated by region and gender. Examination of the matrix in the annex show that where possible input/activity/output indicators have been linked to final outcome indicators. In a few cases there is no corresponding quantified outcome indicator. In addition, some indicators have been included although full data is not currently available. These indicators are included to signal that these data gaps and/or to indicate important areas for strengthening data collection systems.
REFERENCES

Annex 2: The Devolved Institutional Structure (as proposed by the Task Force on the National M&E Institutional Structure and amended slightly after pilot implementation of the national M&E in 8 districts)
<table>
<thead>
<tr>
<th>No.</th>
<th>IP-ERS Section</th>
<th>IP-ERS Objective</th>
<th>Input/Output Monitoring</th>
<th>Outcome Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Actual Activities Inputs/Outputs</td>
<td>Indicator Base-line Value</td>
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<td></td>
<td></td>
<td></td>
<td>Planned Activities</td>
<td>Source of Information</td>
</tr>
<tr>
<td>A.1</td>
<td>Economic Growth, Macro Stability</td>
<td>1. Accelerated economic growth</td>
<td>Implementation of full set of IP-ERS macro-economic activities</td>
<td>Real annual growth rate of GDP</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>2. Achieve and maintain price stability (below 5% annually)</td>
<td>Maintain sound fiscal and monetary policy</td>
<td>Net domestic borrowing contained in spite of lower than expected donor inflows</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>3. Control and reduce the burden of domestic debt</td>
<td>Keep actual domestic net borrowing within target</td>
<td>Actual net borrowing in 2003/04 below budget target. (The target for domestic debt reduction has been eased in the 2004 Budget Outlook Paper compared to the ERS</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>4. Public sector wage bill under control</td>
<td>Staff rationalization and restraint in public sector wage growth</td>
<td>Modest upward movement resulted from once off pay awards to special groups (police, teachers)</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>5. Expand revenue sources</td>
<td>Increase domestic revenue and external grants to maintain ratio to GDP</td>
<td>KRA receipts in excess of budget projections; gradual recovery of external grants for AIA</td>
</tr>
<tr>
<td>No.</td>
<td>IP-ERS Section</td>
<td>IP-ERS Objective</td>
<td>Input/Output Monitoring</td>
<td>Actual Activities Inputs/Outputs</td>
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<td>A.2 Economic Growth, Infrastructure</td>
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<td></td>
<td>Economic Growth, Infrastructure</td>
<td>2. Power coverage in rural areas</td>
<td>1. 300 water schemes by 2005</td>
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<tr>
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<td></td>
<td>Economic Growth, Infrastructure</td>
<td>3. Rural water coverage</td>
<td>1. 300 water schemes by 2005</td>
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<td></td>
<td>Economic Growth, Infrastructure</td>
<td></td>
<td>2. Drill and equip 500 boreholes per year for handover to communities</td>
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<td></td>
<td>Economic Growth, Infrastructure</td>
<td></td>
<td>3. Increased water pounding in ASAL districts</td>
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<td>Economic Growth, Infrastructure</td>
<td></td>
<td>4. Flood control measures on Nyando and Nzoia rivers</td>
</tr>
</tbody>
</table>
### A. Urban Water Coverage

1. Rehabilitate urban water schemes; 2. New sanitation schemes; 3. Reduce urban water wastage by 25% by 2005

- **Outputs:** 35 urban water supply schemes rehabilitated and augmented; 4 sanitation schemes completed (work on 2 others is on-going); 10 of the 11 institutions provided for in the Water Act 2002 are operational (including 2 national boards and 2 regional boards).

- **Target:** Proportion of urban Hhs with safe and reliable access to water

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>73</td>
<td>76</td>
<td>80</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

- **Achieved 2003-04:** KIHBS will provide population based data relating to 2005

### B. Safer Road System

1. Preparation of road safety master plan; 2. Safety measures for PSVs

- **Outputs:** Road safety master plan completed; introduction of mandatory seat belt and speed governors on PSVs (Feb 2004); Introduction of mandatory seat belts for all motorists

- **Target:** Number of fatalities on the road annually: 45 deaths per 10000 vehicles per annum by 2007

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2882</td>
<td>2002</td>
<td>16</td>
</tr>
</tbody>
</table>

- **Achieved 2003-04:** 75% reduction in annualized fatalities in the 6 months following road safety measures of Jan 2004

### A.3 Tourism, Trade, Industry become more dynamic

1. Tourism

- **Outputs:** Aggressive marketing campaigns in source markets; improving tourist products; improving tourist security

- **Target:** Increase annual growth rate of tourists to 9.7% by 2007

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.5%</td>
<td>Not specified</td>
<td>Not specified</td>
</tr>
</tbody>
</table>

- **Achieved 2003-04:** 5.45% (Jan-Dec 2003); 17.9% (Jan-Aug 2004); tourism earnings reached KShs. 42 billion in 2004, ahead of targets

### Source of Information

- CBS surveys, MOWI
- MOT MIS
<table>
<thead>
<tr>
<th>No.</th>
<th>IP-ERS Section</th>
<th>IP-ERS Objective</th>
<th>1. Develop export development strategy</th>
<th>2. New EPZs and MUBs to be established.</th>
<th>3. Improve-ment of business and investment environment</th>
<th>Indicator</th>
<th>Base-line Value</th>
<th>Target (Cal. Year or FY ending)</th>
<th>Achieved 2003-04</th>
<th>Source of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2. Trade and Industry</td>
<td>1. Reduction in the number of tariff bands to 3;</td>
<td>2. 77 projects initiated through the Investment Centre;</td>
<td>3. National Export Development strategy finalized and approved by Cabinet</td>
<td>Growth of volume of exports raise to 5.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**B.1 Equity and Poverty Eradication**

**Health**

<table>
<thead>
<tr>
<th>No.</th>
<th>IP-ERS Section</th>
<th>IP-ERS Objective</th>
<th>KEPI annual work plan targets for immunization coverage met</th>
<th>IMR proxy: Fully immunized children (FIC) as % of under-1 population</th>
<th>Indicator</th>
<th>Base-line Value</th>
<th>Target (Cal. Year or FY ending)</th>
<th>Achieved 2003-04</th>
<th>Source of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td></td>
<td>1. Reduction of Infant Mortality</td>
<td>56%</td>
<td>67.7</td>
<td>74.5</td>
<td>85.0</td>
<td>KEPI records</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>IP-ERS Section</td>
<td>IP-ERS Objective</td>
<td>Input/Output Monitoring</td>
<td>Planned Activities</td>
<td>Actual Activities Inputs/Outputs</td>
<td>Indicator</td>
<td>Base-line Value</td>
<td>Target (Cal. Year or FY ending)</td>
<td>Achieved 2003-04</td>
</tr>
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</tr>
<tr>
<td>15</td>
<td></td>
<td>2. Reduce HIV/AIDS prevalence</td>
<td></td>
<td></td>
<td>NACC created under the Office of the President and has developed decentralized HIV/AIDS coordination structure (District Technical Committees and Constituency AIDS Control Committees), HIV/AIDS organizations; KShs. 1.25 billion disbursed to 2,785 community-based HIV/AIDS organizations</td>
<td>Proxy for prevalence: proportion of pregnant women aged between 15-24 years attending ANC who are HIV infected – reduced by 10% annually to 2008</td>
<td>10.1% (2003)</td>
<td>9.2 8.4 8.0</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td></td>
<td>3. Reduce Maternal Mortality</td>
<td></td>
<td></td>
<td>Proxy for MMR: Proportion births attended by skilled health personnel</td>
<td>42%</td>
<td>70.8 75.6 80.0</td>
<td></td>
<td>HMIS records</td>
</tr>
<tr>
<td>No.</td>
<td>IP-ERS Section</td>
<td>IP-ERS Objective</td>
<td>Input/Output Monitoring</td>
<td>Outcome Monitoring</td>
<td></td>
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<tr>
<td>17</td>
<td></td>
<td>Reduce the burden of disease</td>
<td>No. of drug kits delivered to health centers and dispensaries rose from annual average of 6972 in 2000/01 and 2001/02 to 17566 in 2003 and 2004 (data only to March 2004); Total health sector spending increased to 9.0% of budget; NSHIF Bill has been tabled in Parliament; DHMB appointment guidelines were revised and gazetted; Under-decentralization, all PHMTs and DHMTs in phase all districts were trained by 2004</td>
<td>In-patient malaria mortality as % of total in-patient morbidity</td>
<td>19</td>
<td>15.2</td>
<td>14.3</td>
<td>10.0</td>
<td>Achieved 2003-04</td>
</tr>
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<td></td>
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<tr>
<td>18</td>
<td></td>
<td>1. Achieve 100% Primary net Enrolment (MDG)</td>
<td>Completion of 5-year strategic plan: primary school fees eliminated in 2003; teacher deployment rationalization study completed</td>
<td>Net enrolment statistics by province and sex</td>
<td>81.5</td>
<td>82.9</td>
<td>80.1</td>
<td>83.2</td>
<td>84.4</td>
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<tr>
<td>19</td>
<td></td>
<td>2. Increase North Eastern Province net enrolment (boys and girls)</td>
<td>Provincial net enrolment for boys and girls</td>
<td>Total 17.6 Male: 22.3 Female: 12.1</td>
<td>24.5</td>
<td>29.7</td>
<td>29.4</td>
<td>31.3</td>
<td>365.1</td>
</tr>
</tbody>
</table>

Source of Information:
- HMIS reporting system
- MOEST MIS, CBS Census data by district
- MOEST MIS, CBS as above
<table>
<thead>
<tr>
<th>No.</th>
<th>IP-ERS Section</th>
<th>IP-ERS Objective</th>
<th>Input/Output Monitoring</th>
<th>Outcome Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Planned Activities</td>
<td>Actual Activities Inputs/Outputs</td>
</tr>
<tr>
<td>20.</td>
<td></td>
<td>3. Reduce the rate of primary drop-out for boys and girls</td>
<td>1. Enhanced quality of primary education 2. Expand school feeding by 150,000 3. Formulation of girl child policies</td>
<td>Increased teacher/learning materials and text book ratios</td>
</tr>
<tr>
<td>22.</td>
<td></td>
<td>5. Increase the transition rate to secondary school</td>
<td>1. Increased number of bursaries 2. Adequate teachers and learning materials</td>
<td>Classroom and new school construction; pupil/teacher ratio of 41.1% (Primary)</td>
</tr>
<tr>
<td>No.</td>
<td>IP-ERS Section</td>
<td>IP-ERS Objective</td>
<td>Input/Output Monitoring</td>
<td>Outcome Monitoring</td>
</tr>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Planned Activities</td>
<td>Actual Activities</td>
</tr>
<tr>
<td>23</td>
<td>B.2 Poverty and Equity – HRD: Labour</td>
<td>1. Improvement in labour productivity</td>
<td>1. Improved enforcement of existing legislation 2. Establishment of the Labour Productivity Centre</td>
<td>The Labour Productivity Centre has been established and is operation and well supported by the private sector</td>
</tr>
<tr>
<td>24</td>
<td>B.3 Agriculture, Rural Development and Environment</td>
<td>1. Raise incomes of agricultural smallholders</td>
<td>1. Consolidation of agricultural sector legislation 2. Reparation of sector strategy 3. Further reduction of role of parastatal entities in the sector</td>
<td>Work has progressed on legal consolidation for the sector but this has not been completed; The Strategy for Revitalization of Agriculture has been completed</td>
</tr>
<tr>
<td>25</td>
<td></td>
<td>3. Improved environmental management</td>
<td>1. Legislation 2. Reversal of illegal excisions 3. Surveying of areas for gazette</td>
<td>Some progress in surveying of designated forest areas for gazettlement; no progress on enactment of legislation</td>
</tr>
<tr>
<td>26</td>
<td></td>
<td>4. Introduce universal environmental screening of projects</td>
<td>1. Operationally NEMA; 2. Establish a system of Environmental Impact Assessment (EIA) for all relevant projects</td>
<td>The NEMA, which was gazetted in 2000, is now fully operational; a system for identifying projects to be subjected to Environmental Impact Assessment has been established with a roster of qualified local consultants to undertake EIAs. The no. of EIAs is growing annually</td>
</tr>
<tr>
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</tr>
</tbody>
</table>
### B.4 Poverty Targeted Programs

<table>
<thead>
<tr>
<th>No.</th>
<th>Plan/Goal</th>
<th>Activities</th>
<th>Output Indicator</th>
<th>Base-line</th>
<th>Target (Cal. Year or FY ending)</th>
<th>Achieved 2003-04</th>
<th>Source of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>27.</td>
<td>1. Reduce absolute poverty</td>
<td>1. Targeted poverty programmes. 2. Upgrading of slums</td>
<td>Work has commenced on upgrading the Kibera slum settlement</td>
<td>Proportion of population living below absolute poverty line</td>
<td>50% (2003)</td>
<td>Reduce by 10% from 2003</td>
<td>KIHBS (2005) forth-coming</td>
</tr>
</tbody>
</table>

### C Governance

| C.1 | Public Safety, Law and Order |

#### More expeditious justice

1. Implement the provisions of the anti-corruption Economic Crimes Act (2003)
2. Prepare 5-year anti-corruption strategy
3. Mount anti-corruption campaign
4. Identify and prosecute corruption
5. Identify and remove civil servants (including judges) involved in corruption cases
6. Computerize registries for justice institutions

(Comment on Goldemberg; prosecution of judges, treatment of corrupt contractors, number of civil servants prosecuted for corruption)

Ratio of concluded cases to reported cases to rise from 21 in 1999 to 60 per cent in 2006
### C.2 Public Administration

<table>
<thead>
<tr>
<th>No.</th>
<th>IP-ERS Section</th>
<th>IP-ERS Objective</th>
<th>Input/Output Monitoring</th>
<th>Outcome Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>2. Public sector transparency and devolution of power</td>
<td>Increase in the control of public resources managed at the local level through: 1. Application and growth of LATF financing; 2. Roads maintenance funding for the DRCs from the RMLF; 3. Application of the Constituency Development Fund; 4. Reform and Capacity Building of LAS</td>
<td>Steady increase in the number of local authority capital projects financed through the LATF mechanism; RMLF funds rising rapidly but process of allocation to DRCs not functioning effectively; CDF mechanism functioning and distributing funds to CDCs; significant progress in improving the budgeting process in LAS. Deeper reforms await the finalization of the Constitutional Review process</td>
<td>Proportion of total public sector spending controlled and managed at local level (based on LAS, LATF, DRCs and CDF)</td>
</tr>
</tbody>
</table>

### C.2 Public Administration

<table>
<thead>
<tr>
<th>No.</th>
<th>IP-ERS Section</th>
<th>IP-ERS Objective</th>
<th>Input/Output Monitoring</th>
<th>Outcome Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>1. Creation of national Monitoring and Evaluation system</td>
<td>1. Definition of national M&amp;E institutional framework 2. Formulation of strategy for implementing national M&amp;E system 3. Piloting of devolved structure M&amp;E mechanisms 4. Timely preparation of quality Annual M&amp;E reports on IP-ERS implementation</td>
<td>Institutional structure for national M&amp;E defined and agreed; Monitoring and Evaluation department established in MPND; Annual M&amp;E report prepared for 2003/04; Pilot district level M&amp;E system ready for fielding in early 2005</td>
<td>Fully functioning national system of M&amp;E operating at all levels and providing feedback to the budget by end 2005</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No</th>
<th>Source of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>LA budget; LATF, RMLF, CDF</td>
</tr>
<tr>
<td>31</td>
<td>Annual M&amp;E reports prepared by MED</td>
</tr>
</tbody>
</table>
9. CIVIL SOCIETY ORGANISATIONS IN POVERTY MONITORING SYSTEMS IN TANZANIA

Semboja Haji Hatibu, Paschal Assey and Mallago Malagashimba

9.1 BACKGROUND

There are several forces that prevent broad based policy from being implemented in its most desirable form. This workshop critically examines why it is that some countries, though subjected to very similar challenges do better than the others. Among others, one particular determinant that seem to show up quite prominently is the institutional capacities, in translating goals to policies, policies to actions and above all, those who monitor and evaluate the linkage between goals and policies, policies and implementation and implementation and impacts effectively and promptly. This paper suggests that it is very important to focus on institutional capacities in the implementation of the National Strategy for Growth and Reduction of Poverty (NSGRP) (Semboja, 2005). We will assume that implementation of the NSGRP is equivalent to implementation of the Tanzania Development Vision (TDV), 2025 and thus MDGs.

9.2 OBJECTIVES OF THE PAPER

The objective of this desk research paper is to examine the institutional capacities in Monitoring and Evaluation (M&E) of the implementation of NSGRP. Specifically the paper focuses on the role of Civil Society Organizations (CSOs) in the M&E of the NSGRP in Tanzania. It is noted that the current policy decision-making framework of a government in Tanzania is open, inclusive and participatory and chances are that its national development policies are more pro-poor and its programme and policy initiatives have attained improved transparency and accountability (Semboja, 2002). It is known that some vital aspects that support pro-poor development demands are implementation institutions, arrangement and institutional processes that consider active participation of the poor people (Semboja, 2002 and URT, 2001).

A large number of public and private bodies are involved in the implementation of the NSGRP and this means it is often difficult to achieve desired results, output and coordinated actions by the lead implementing agencies (URT, 2005 and David, 2005). Sometimes, this is due to differences in capacities, structures and cultures between ministries, departments and agencies. In other cases, the skewed distribution of political and legal powers between governmental bodies affects the implementation of measures. And in many cases an uncoordinated and unstable institutional organisation with limited resources, experience and unqualified personnel reduces the capacity to implement major national policies (Smith, 1973).

This paper shall not examine operational, performance, results and limitations of M&E systems in Tanzania. Like many policy initiatives and processes, this is dynamic and bound to
face constraints. There are many institutional problems related with participation, capacities and abilities. There are operational weaknesses of routine reporting systems, which are seen as linked to several design faults in the institutional set-up. However, in the final analysis and in whatever format, monitoring arrangements serve to promote country commitment to, and accountability for, poverty-reduction policies where they are closely related to a politically supported and maturing budget process. Developing a Poverty Monitoring System (PMS) is a process, in which it will never be possible to achieve everything that is desirable in one go, and in which there will be temporary setbacks and advances (David, 2005).

9.3 Monitoring and Evaluation Systems for the NSGRP

Monitoring refers to the systematic observation or recording of a specific activity and its immediate results. It may be undertaken continuously or periodically. It focuses on assessing if activities are carried out as planned and on measuring the immediate effects of these activities. As such, monitoring is intimately linked with implementation and the information it generates is used continuously to make necessary adjustments to the implementation strategy. Evaluation takes place less frequently, usually mid-way through the implementation period of a programme and towards its end. Evaluation makes an assessment from a more general viewpoint, looking at the overall expected and unexpected impact of the activities and judging how appropriate, effective and efficient the strategy has been. Evaluation is forward looking in nature, focusing on lessons learned and how these can be applied in future programmes of a similar nature.

9.3.1 General Objectives of the Tanzanian M&E System

For the NSGRP to be alive and dynamic, its implementation strategies and plans are to be subjected to regular and continuous Monitoring and Evaluation, (M&E) by all implementing stakeholders at different given times and levels. The current NSGRP Monitoring and Evaluation system has been established, with the following general policy objectives (URT, 2005).

Firstly, to facilitate review of the performance of the NSGRP implementation and performance, both at the input and output/impact levels, using quantitative and qualitative indicators. This includes routine internal reviews done by all legal sector institutions. The latter will also include process indicators.

Secondly, to provide feedback that will enable updating of the NSGRP management and implementation. This provides a basis for corrective actions to improve the NSGRP performance. The NSGRP has to continue as a living document that reflects what is happening on the ground and consistency with respect to other national development goals. The monitoring shall provide key inputs for continuous adjustments and flexibility in the policy implementation.

Third, the comprehensive monitoring reports must provide reports that have necessary and sufficient data and information for NSGRP decision making processes as needed at different times, levels and by different institutions. This suggests the need for harmonized monitoring requirements, data and information.
9.3.2 Poverty Monitoring System (PMS)

9.3.2.1 The System
Tanzania has a well-established Poverty Monitoring System (PMS) involving most of implementing agencies (URT, 2005). In effect, the monitoring of implementation of NSGRP and evaluation of progress is done under the Poverty Monitoring System (PMS), which was established in the year 2001, and has been operative, dynamic and is now consistent with the national monitoring systems. The PMS is guided by the overarching principles of the NSGRP and is based on challenges and lessons learned in monitoring the initial PRSP-1, and the fact that there are new developments in implementation of the NSGRP.

9.3.3 Specific Objectives of the Poverty Monitoring System
The PMS is a national system designed to meet information needs of different implementing stakeholders including policy makers, civil servants in the central government, local government officials, civil society organisations, research and academic institutions, external development partners, the media and the general public (URT, 2005). The specific objectives of the system are:

- To ensure timely availability of data;
- To ensure proper storage, easy access and use by different stakeholders;
- To analyse data and disseminate the findings to stakeholders;
- To promote evidence-based decision making at all levels through monitoring and an increased attention to evaluation; and
- To ensure that targets of global initiatives (e.g. MDGs) to which Tanzania is committed to are integrated into the system and localised.

9.4 INSTITUTIONAL FRAMEWORK FOR MONITORING AND EVALUATION

There is a diverse set of implementing agencies or active actors involved in poverty monitoring activities in Tanzania. They collect a wide range of data and information, undertake varied public policy analysis and use evidence in different ways. Agreeing a clear institutional arrangement has been paramount for integrating this diversity into a coherent monitoring system. Tanzania has a comprehensive integrated institutional framework for the M&E system, which consists of two elements: institutional arrangements and an institutional environment. The former covers the reporting, supporting, and coordination systems for monitoring and evaluation. The latter provides the incentive system for the institutions and the various stakeholders to implement planned M&E activities (URT, 2001 and 2005).

9.4.1 Institutional Arrangement

9.4.1.1 PMS Institutional Organizations
Tanzania has a very complex poverty M&E institutional arrangement, composed of the central and local government ministries, public institutions, academic and policy research institutions, committees, and working groups (URT, 2005).
9.4.1.2 The National Poverty Monitoring Systems

At the highest level, there is a Cabinet, headed by the President of the United Republic of Tanzania, and which is the main, overall or top NSGRP M&E coordinating institution. The Cabinet is supported by a special Committee of Ministers, which provides general policy guidance. At the immediate high level, there is an Inter-Ministerial Technical Committee (IMTC), whose members are all Permanent Secretaries of all government ministries. The IMTC is assisted by the Poverty Monitoring Steering Committee, (PMSC) chaired by the PS of the Vice President Office. At the medium level there is a Poverty Reduction Strategy Technical Committee, (PRS-TC) chaired by the PS of the Ministry of Finance (URT, 2005). This is a broad-based committee, with members representing the key ministries involved in the PRSP, civil society, academic institutions, the private sector, major faith groups, and the donor community.

At the medium level, the PRS-TC links the PMSC with a number of Technical Working Groups. The Technical Working Groups are the main M&E implementing gents, linking the high-level policy organs and main NSGRP implementing entities. These include Technical Working Groups of the System: Censuses and Surveys, Routine Data Systems, Research and Analysis; and Dissemination, Sensitisation and Advocacy. The functions of the various parts of the institutional framework are closely interrelated. There are, therefore, a lot of interactions between the working groups and committees. The working groups collaborate closely and this is facilitated partly by overlapping memberships between the groups.

At the lower level, the PMS consists of all implementing institutions, private sector associations and firms, households, communities and other social economic institutions. The households are the first and foremost social-economic entities, target groups, implementing actors, stakeholders and beneficiaries of the NSGRP. This is composed of individuals, families and friends in the rural and urban areas engaged in one form or other in income generating and social-economic activities. These are suppliers of labour power in the labour market or/and some are owners of capital assets and managers of social-economic and productive sectors. However, this lower level is not well integrated, organized and formalized in the PMS. Its interests are partially represented by different civil society organizations.

9.4.1.3 Main Institutional Organizations

We have noted that, there is a wide range of institutional organizations involved in PRSP monitoring activities, which range over data collection, processing, analysis and utilization. A clear and agreed institutional arrangement for monitoring is paramount if these monitoring activities are to be integrated into a coherent monitoring system. This framework should clearly spell out roles and responsibilities at different levels (Semboja, 2005 and URT, 2005). The institutional framework for monitoring takes the comparative advantages of existing institutions into account – be it in their specialization in a particular dimension of poverty and/or in their focus on one of the stages of data collection, processing, analysis or utilization (URT, 2005).

9.5 CIVIL SOCIETY ORGANIZATIONS

By civil society, this paper considers the entire range of organized groups and institutions that represents the interests of households, firms and other social economic entities. These are independent of the state, voluntary, and at least to some extent self-generating and self-reliant. This not only includes non-governmental organizations but also independent mass
media, policy think tanks, professional association, academic and research institutions, and social and religious groups and so on. To be part of civil society, groups must meet some other conditions as well. In a democracy, civil society groups have respect for the law, for the rights of individuals, and for the rights of other groups to express their interests and opinions. Part of what the word “civil” implies is tolerance and the accommodation of pluralism and diversity.

The PMS includes the civil society organizations as one of the key actors in various committees and working groups in the Monitoring and Evaluation of the poverty reduction processes and activities (SEMEZANA, 2004; URT, 2005 and Semboja, 2005). It is acknowledged that civil society engagements are regarded as both means and objective, as well as seen as pivotal to NSGRP performances. Increasingly, the point is made that not only economic growth must be accompanied by, social economic equity and pro-poor policies and civil society engagement to ensure a more egalitarian outcome, but rather that without the latter, that is without deep involvement of civil society, growth and poverty reduction efforts, these are at risk (Semboja, 2005).

By default civil society organizations in Tanzania have been integrated into many PRS processes not only in terms of their views, but also actively involved into the monitoring and evaluation systems at positions, levels and time. Their roles and responsibility are to build local capacity and empowering households and communities, participate in M&E processes at national and community level, mobilizing and enhancing community participation as well as community resources for poverty reduction.

The Tanzanian CSOs advocate for the accountability of its members, government and other implementing entities to the people. Some of the CSOs work closely with the government ministries and local authorities to ensure that crosscutting issues are included and implemented in the sectoral and district plans, (URT, 1999; 2000; 2001). The central and local government authorities have by default, started collaborating with the civil society in the policy formulation, planning, implementation, monitoring and evaluation of public.

The Tanzanian legal, institutional and operational facilitates formation and operation of the different types and forms of civil societies. However, many of these civil societies have limited analytical capacities to participate in collegial policy dialoguing, planning, implementation, monitoring and evaluation of national development policies. In order to improve the effectiveness of civil society organizations there is a need to review and strengthen the organizational capacities and management frameworks at national, regional, district and community levels, (SEMEZANA, 2004).

Many Civil Society Organizations (CSOs), and the constituencies they represent are aware, knowledgeable and affected by the impacts of poverty eradication policy, but not all have been very active (Semboja, 2002; SEMEZANA, 2004). Some key national CSOs consider PRS issues their primary concern. Obviously there is need for national, regional and district CSOs to assume a more proactive and positive role in the PRS processes.

9.5.1 Qualities for Effective Representation of the Poor in PRS Processes

There are various constraints that may exist in preventing civil society organizations in playing their effective M&E role or representation. Effective representation of the poor by
CSOs calls for several qualities. These are:

- The institutional capacities to participate or to be involved in day-to-day M&E activities;
- The analytical ability to trace through the effects, direct and indirect, of PRS instruments upon the interests of the poor;
- Capacity to set the policy analysis within the context of the Government’s social, political and economic policies;
- Ownership by those whose interests the CSO seeks to represent;
- Persuasive power to influence Government and public opinion;
- Sufficient authority, financial and human resources to participate in M&E processes;
- The capacity and independence with which to critically assess the policy agendas of CSOs’ funding organizations, such as international non-government organizations, in order to ensure it supports policy advocacy positions supportive of PRS activities in the specific Tanzanian context; and
- Harmonized, organized and consistent in all development policy matters and processes.

9.5.2 Types of CSOs in Tanzania

Let us consider which civil society bodies in Tanzania have these qualities. Corresponding to the heterogeneity of the poor, there is a correspondingly wide range of CSOs, representing different sections of society, communities and households whose operations will potentially impact on the poor. A wide net therefore needs to be cast. Tanzanian CSOs in this paper have been organized into following major CSOs categories:

9.5.2.1 CSO Policy Advocacy Organizations

Among the general mandates and functions of these civil society organizations is to advocate, create awareness and impact knowledge on public policy matters or issues, participate in public policy formulation, monitoring and evaluation of policy objectives and strategies. There are few CSOs that advocate on policy from a pro-poor perspective (SEMEZANA, 2004).

CSOs in this category would be registered as not-for-profit non-government organizations. These would include Tanzania Gender Networking Programme (TGNP), Tanzania Social Development Council (TACOSODE), Tanzania Association of Non-Government Organizations (TANGO), Environment, Human Rights Care and Gender Organization (ENVIROCARE), Tanzania Coalition on Debt and Development (TCDD) and the Tanzanian Aids Council (NGO-TAC). NGO Policy Forum (NPF) was established in 2003 with objectives of networking, building analytical and activist capacities and monitoring impact of public policies.

Note that whilst policy advocacy can be considered these organizations’ primary focus, their activities often cut across the types of programmes supported by other CSOs. TACASODE and TANGO, for example are umbrella CSOs each directly and indirectly supporting a very wide range of CSOs engaged in different types of activities.

9.5.2.2 Organizations Supporting Self-help, Income and Employment-generation Groups

CSOs that support mobilization of different groups to improve their access to resources and capacities to generate employment and income activities. These include Women’s Economic
Groups Coordinating Council (WEGCC), Women Rights and Development Coordinating Council (WORDECO); Tanzania Social and Economical Trust (TASOET); Small Enterprise Development Agency (SEDA); Equitable Community Development Foundation (ECDF); Community Action for Development Economic, Environmental Conservation Trust (CADECT) “Vikundi vya Biashara Ndogondogo” (VIBINDO Society), for example, is a Dar es Salaam based association that supports informal sector operators, primarily in Dar es Salaam.

9.5.2.3 Academic and Policy Research Organizations
There are CSOs engaged in policy and consultancy researches to provide background information and in-depth investigation of specific issues to the Government, private sector representative organizations and the donor community. Relevant organizations and policy research institutions include the Economic and Social Research Foundation (ESRF), Research on Poverty Alleviation (REPOA), Agency for Co-operation and Research in Development (ACORD) and Policy Project.

9.5.2.4 Micro-finance Institutions
CSOs that provide credit to the poor and small producers in Tanzania, often with the support of the Promotion of Rural Initiatives and Development Enterprises Ltd.; (PRIDE Africa (Tanzania); Finance and Enterprise Development Project (Tanzania), (FED), Small Industries Development Organization (SIDO), Savings and Credit Cooperative Society (SACCOs), Small Entrepreneur Loan Facility (SELF) and other national micro-finance institutions (MFIs). Tanzania Association of Micro Finance Institutions (TAMFI), is an umbrella organization of the MFIs in Tanzania. Many of these MFIs are concentrated largely in urban areas.

9.5.2.5 Business Development Services Providers
These are CSOs that bring together and represent groups of producers/retailers and provide business promotion services and policy advocacy. Among pro-poor economic support service providers are the Federation of Association of Women Entrepreneurs in Tanzania (FAWETA), and the Tanzania Food Processors Association (TAFOPA). VIBINDO could also be classified as a business support CSO because of its support to informal sector suppliers and producers in urban areas. HAKIKAZI Catalyst is a non-profit, non-political and non-religious organization committed to achieving social and economic justice. HAKIKAZI promotes the rights of people to fully participate in the social, technical, environmental and economic decisions that affect their lives. The goal of HAKIKAZI is to facilitate processes that support the initiatives of poor and marginalized communities to influence change in national and local level policy and practice and also to promote the eradication of poverty.

9.5.2.6 Co-operatives
This category comprises an important arm of the CSOs in view of their potential role central both to the formulation of pro-poor policies and the mechanisms by which national policies impact on the poor, the bulk of whom are engaged in, or directly dependent on, small-scale farming, trade and other small scale business activities. Most active and organized cooperatives are Savings and Credit Cooperative Society (SACCOs) and their umbrella organization, namely the Savings and Credit Cooperative League of Tanzania.

9.5.3 Current Capacity to Trace through the Social Impact of PRS Measures
The following is an overview of the qualities, required representing the poor effectively in the PRS-Monitoring and Evaluation processes. With the possible exception of TGNP and
Hakikazi, few of the CSOs in Tanzania have the capacity to trace through the impact of PRS processes on the poor and specific groups of poor. For TGNP, capacity is primarily for qualitative analysis drawing on scattered workshop activities that it has been organizing over time. Hakikazi in Arusha uses a level of objective analysis in its policy research activities. There is little discernible capacity in the academic and research community for analyzing the impacts specifically of public policy on the poor (SEMEZANA, 2004).

9.5.4 Capacity for Social and Poverty Analysis
Analytical capacity exists in some CSOs, and this could provide an entry point for current CSO-NSGRP analysis capacity building initiatives. This can be confirmed by several CSOs. Thus, TGNP, NGO-TAC, ENVIROCARE, and TACOSODE have developed some capacity to track through the impact of various policies on livelihood/social groups. TGNP, for example, has conducted studies on the gender dimension of the budgeting process in Tanzania. Similarly, some of these CSOs (e.g., TGNP, TACOSODE and NGO-TAC) are taking part in the public expenditure review and poverty monitoring processes associated with the PRS. Reflecting capacity constraints, however, academic and research organizations are often contracted by CSOs to carry out analysis of this sort.

9.5.5 Capacity to Contextualize the Poverty Analysis
This capacity exists in research oriented CSOs such as ESRF, REPOA, HAKIKAZI and TGNP. These CSOs have access to extensive databases as well as policy development processes. Non-research-oriented CSOs, including the Trades Union Congress of Tanzania (TUCTA), have research units, with the potential to assemble such capacities.

9.5.6 Capacity for Forceful Advocacy
There is a high level of capacity for advocacy amongst CSOs. This type of capacity is mainly found in Policy Analysis and Advocacy CSOs, which monitor policy development and implementation as a core element of their work programmes. They identify policy gaps and campaign for change. TGNP, TANGO, TACOSODE, NGO-TAC all have such policy advocacy capacity. Advocacy capacity strengthening on the supply-side has also been accommodated by the greater emphasis on consultation by the government over recent years noted above. Thus TGNP for example, has regular and institutionalized contact with the various government ministries and public institutions, and is routinely approached to comment on draft policy proposals. TACASODE has been very closely involved in the PRS process from its inception. This has covered policy consultation with Government on the PRS and TAS and poverty monitoring and evaluation under the PRS.

9.5.7 Capacity to Critically Assess the NSGRP Issues of Funding Organizations
It is extremely difficult to assess CSOs’ capacity to appraise the policy advocacy positions of their funding organisations. What is clear is that foreign NGOs make a very significant contribution to many Tanzanian CSOs’ overall budgets. This applies particularly to the more influential ones such as TANGO, TACASODE and TGNP.

Secondly, strong views are known, by CSO representatives, on PRS policy issues, which appeared to have little theoretical or analytical basis. These were considered facts that had been “well-established” by foreign NGOs and research organisations, but were in reality often
highly contentious and unresolved issues. The independence of Tanzanian CSOs, whilst being difficult to gauge, is therefore important in this assessment of capacity.

9.5.8 Other CSO Capacity Issues

Our consultations in this matter suggest that; while the policy advocacies CSOs have become familiar with tracking through the impact of PRS efforts on the poor, this capacity remains weak and fragmented, is yet to filter through to other CSOs and does not extend to public policy impacts specifically. The CSOs capacity needs to be consolidated for its impact to be felt. This institutional capacity is particularly weak in policy analysis, and the positions of CSOs often appear to be a result of unchallenged received wisdom rather than objective analysis. It is evident, however, that this view had very little theoretical or empirical basis, much less any analytical underpinnings in the Tanzanian context specifically.

There are few organized, umbrella and policy advocacy CSOs with the mandate to lead and manage others in the NSGRP processes. Among them are TANCO, TGNP, NPF and TCDD. There is an attempt to establish and operate a Tanzania Social Forum, organized as a coalition of organizations, which enhance democratic debates and effective participation in policy processes. However, their views are uncoordinated, inconsistent, fragmented and sometimes conflicting. There is lack of one voice in the fight against poverty. As for government institutions, it was known that all central and local government ministries are weak in analytical capacity to predict public policy impacts. This gives rise to understandable fears that they are prey to strong interest groups. And for this reason and others, any sense of ownership is undermined.

The government capacity to involve a heterogeneous and geographically dispersed range of civil society organisations is very weak. There is therefore a pressing need for channelled representation of civil society in the NSGRP processes, if it is to be involved in policy dialogue in a manageable and effective way. In developing public policy positions for issues on which they seek to influence Government, CSOs’ use of objective analysis has been limited in practice.

9.6 CONCLUSION

9.6.1 Institutional Linkages

This complex institutional arrangement suggests the need for the appropriate institutional coordination arrangements specifying clear lines of responsibility for the various sectors and agencies in order to promote demand-driven data generation, compilation and analysis. Clearly specified institutional coordination arrangements will maximize benefits arising from specialization and minimize overlaps and conflicts (Eugene, 1998).

Data collection, compilation and analysis need to be done with the needs of policy makers, civil society organizations and other users of the data in mind. All collaborating institutions can give rise to new data requirements, which need to be conveyed to the data collecting agencies. If the process is inclusive and linkages are strong enough, this will result in the right data being produced and presented in the right format to meet the M&E needs of the users of the data.
In order for strong linkages to be established, a mechanism has to be designed to allow broad, parallel and independent civil society organization forum. This group would meet regularly to discuss and decide on CSOs issues related to the monitoring system, including the setting of standards; specific data collection, analysis or dissemination needs; and capacity building.

9.6.2 Institutional Environment

Apart from making the required institutional arrangements, it is also important to create the right institutional environment (Eugene, 1998). A proper institutional environment sets ‘rules of the game’ by defining standards and putting in place appropriate incentives for the smooth implementation of the monitoring system (Semboja, 2005). This entails setting standards for monitoring and making sure the correct incentives and disincentives are in place to ensure smooth implementation of the monitoring system.

There is an important role for the stakeholder’s forum described above, in collaboration with the President’s Office – Planning and Privatization (PO-PP), the Vice-President’s Office (VPO) and Ministry of Finance (MOF), to set the standards in monitoring the PRSP. These standards should include, for example, the types of hardware and software to be used to ensure compatibility of data sets; policies regarding data storage and access to data; quality standards for data collection, compilation and analysis; guidelines for reporting and dissemination and so on.

The other element of the institutional environment is to ensure that the right incentives and disincentives are in place to ensure that all Civil Society Organizations and actors in the monitoring system play their role as agreed. These incentives and disincentives could be in the area of funding, access to training and other elements of institutional capacity-building and so on. The CSO’s stakeholder forum for the monitoring system should play the leading role in determining and administering the incentive system.

The PMS institutional capacity will be strengthened to deliver the expected outputs and ensure sustainability of the monitoring and evaluation activities. Special measures will be taken to strengthen capacities in areas where performance is observed to be weak. These arrangements will be necessary as all sources of information, including the surveys and censuses, routine administrative data and research and analysis be captured, analysed, disseminated and evaluated under this single system to ensure its robustness.

9.6.3 Poverty Advisory Forum (PAF)

The conclusion is that there is a need for an overall CSO umbrella organization and with all qualities and strengths. In this way, the government can engage representations of the poor in NSGRP in a sustainable, consistent, transparent, focuses and manageable way (Eugene, 1998).

This paper recommends that the current national umbrella CSOs in collaboration with the government to stimulate and facilitate the establishment of a Poverty Advisory Forum (PAF), ostensibly as an institutional framework or mechanism that brings all CSOs together and facilitates their organized entry and effective participation into the NSGRP processes. As such its members should be drawn from all civil society organisations in the widest sense. Its organization and operations should be determined by members and guided by democratic principles, laws, rules and regulations of the country.
The purpose of the PAF should be to provide an umbrella framework bringing the broad spectrum of Civil Society together and facilitating effective interaction with the NSGRP implementation process and M&E processes. It would serve as the counterpart role that is fulfilled by the Tanzania Private Sector Foundation at the national level for the business sector.

It would advise the government through the VPO all aspects of poverty reduction strategies, as they affect the interests of all the above stakeholders. It would serve a general mainstreaming and capacity building function. Its activities would help the President to feed poverty reduction strategies into the Government’s wider poverty reduction processes, and likewise ensure that poverty reduction takes account of the pro-poor potential of public policy. Specifically, it would:

- Be consulted and comment in advance on all proposed NSGRP measures;
- Conduct regular reviews of all aspects of NSGRP;
- Focus in particular on their impact on poverty reduction;
- Advise the high level of PMS and President in all such matters; and
- Publish NSGRP-M&E reports to educate and mobilise public opinion in regard to all such matters.

In supporting and facilitating (the actual process would have to remain in the hands of the CSO fraternity) the establishment of the PAF the government would, announce its intention of consulting it as fully, and of considering its advice as carefully, as it would in the case of the most respected private sector organization. It should pledge that, emergencies apart, it would expect to consult the PAF before taking any significant NSGRP policy decision.
REFERENCES


ANNEX A

A1: MILLENIUM DEVELOPMENT GOALS (MDGs) AND PUBLIC POLICY STRATEGIES AND PROCESSES

M. Adil Khan

STRUCTURE OF THE PRESENTATION
• Why MDG is so important?
• In what way MDG is unique?
• The MDG Targets, Issues and Imperatives
• The implications of MDG for Public Processes
• MDGs and Institutional Framework of Decision-making

Why MDGs are so Important?
• It has the endorsement of world leaders
• The Goals are human development-oriented and not input or sector-oriented
• The Goals are appealing (extreme poverty cut in half; all children in school; infant, child and maternal mortality to be greatly reduced)
• Goals are achievable (many believe)

The Key Challenges Leading to MDGs:
• Abject poverty: 1 billion in poverty
• War and violence
• Environment
• UN lacking effective instruments to tackle challenges mentioned above

These Challenges led to MDGs, which also added three more goals:
• Human rights, democracy and good governance
• Protecting the vulnerable from natural and man-made disasters
• Meeting special needs of Africa

The MDGs TARGETS

8 Goals, 18 Targets and 48 Indicators
The 8 Goals (1990-2015)

• Halve the proportion of extreme poverty and hunger
• Achieve universal primary education
• Promote gender equality and empower women
• Reduce child mortality
• Improve maternal health
• Combat HIV/AIDS, malaria, etc.
• Ensure environmental sustainability
• Develop global partnership for resource mobilization

IN WHAT WAY ARE MDGs UNIQUE?

MDGs are underpinned by social objectives –
❖ 7 Goals are poverty or socially-oriented and linked to 11 targets
❖ The 8th Goal – ‘Partnership in Development’ concerns
    • International resource for development
    • Greater opportunities for developing countries in the global economy

There are, however, questions asked about the utility of some of the indicators or targets: for example, school enrolment rate is no guarantee for quality of education, etc.

ELEMENTS THAT ARE KEY TO THE ACHIEVEMENT OF MDGs

• Enabling policy environment
• Suitable institutional framework with technical and partnership capabilities
• Improvement in service delivery
• More money*
• Many argue that money is the least important of all the elements. This has implication for Public Administration, the MDG mentor

MDG Targets and Imperatives
Goal 1: Reduce Income Poverty & Hunger
*TARGET - Reduce abject poverty by half by 2015

ISSUES:
• Economic growth is key, but not the only factor
• South East Asia grew at a rate of 6% annually between 1990-1999 and reduced poverty from 28% to 14% (50% reduction)
• South Asia grew by 4% and reduced poverty more slowly, 2% per annum
• In Eastern Europe, poverty increased by 9% annually, though per capita GDP fell at a much slower rate
• Slow growth in sub-Sahara had no impact on poverty

IMPERATIVE:
❖ Strategizing growth with provision for income distribution, employment, etc.

Goal 2: Universal Primary Education
*TARGET - Reach Universal Primary Education enrollment by 2015.
ISSUES:
• Enrollment rate is an important indicator of progress but not a sufficient one
• Quality of education is an issue not given much attention
• Completion rate is more important than enrollment rate
• Measuring net enrollment is a problem
• More public expenditure does not automatically contribute either to increased enrolment or to improved quality

IMPERATIVES:
• Combine enrollment policy with monitoring quality and completion
• Improved measurement
• Improved delivery:
• The role of State?

Goal 3: Gender Equality
*TARGET - Equal enrollment rates for boys and girls, at primary level by 2005; at secondary by 2015

ISSUES:
• Many countries have either reduced or eliminated disparity between boys and girls in net enrollment rates
• Girls’ enrollment rates are lowest in lowest enrollment rate countries
• Improving girls’ enrollment rates involve overcoming social and economic barriers and importantly, “higher income” on its own has little significance

IMPERATIVE:
♦ Targeted policy initiatives and consistent monitoring and evaluation

Goal 4 & 5: Infant, Child and Maternal Mortality
*TARGET- To reduce child and maternal mortality rates by two- thirds by 2015

ISSUES:
• Ambitious target
• Child mortality is falling except in Sub-Sahara Africa
• Though low-income countries are reducing child mortality at slower rate, two low-income countries, Tajikistan and Azerbaijan, reduced child mortality significantly
• Maternal mortality is difficult to measure and the data are limited
• Maternal mortality is often a reflection of quality of medical system in a country

IMPERATIVES:
♦ Targeted policy and proper prioritization contribute to these goals, even in low income countries
♦ Greater effort needed to capture data on maternal mortality
Goal 6: HIV/AIDS, malaria and other diseases
*TARGET: Eradicate HIV/AIDS and other communicable diseases

ISSUES:
• Data on communicable diseases including HIV/AIDS are either incomplete or irregular
• Successful prevention program in country like Uganda has helped reduce the infection rates of HIV/AIDS

IMPERATIVE:
♦ Focused government policy backed up by resources, the right strategy

Goal 7: Environmental Sustainability
*TARGETS
- Integration of principles of sustainable development
- Providing access to water to all by 2025
- Provide improved water and sanitation and land tenure to urban slum dwellers

ISSUES:
• The targets are somewhat vague and esoteric
• Issues are country specific

IMPERATIVES:
♦ Mainstreaming of SD concept within the development management and value processes
♦ Clear policies and strategies on water and urban poor

Goal 8: Develop Global Partnership
*TARGETS
- Doubling of aid-flow to $40-$70 billion per year
- Better trade deals

ISSUES:
• Possibilities of securing additional aid resources do not look good
• Agricultural subsidies and continued protection provided by some developed countries render improved trade deal a slow moving accomplishment

IMPERATIVES:
♦ More internal savings, more domestic resource mobilization and increased cost-effectiveness in public expenditure
♦ Continuous dialoguing to enhance international resource flow
♦ DFI
The Overall Imperatives of MDGs and the Implications for the Public Sector

OVERALL IMPERATIVES

• MDGs are a complex package of goals and targets requiring great deal of harmonization, re-organization and re-orientation and new and sustained partnerships.
• In terms of goals and targets, a clear bias towards social development goals is perceived, stressing the need for a social or “pro-poor” orientation to all aspects of development management – the institutional arrangements, strategies, tools, techniques and indeed, the processes for policies and programmes.
• Need for great deal of data gathering, analyses, policy advice, integrated implementation, followed by results oriented monitoring

EXISTING DECISION-MAKING PROCESSES

• Donor driven
• Sectorally oriented
• Bureaucratically organized
• Sometimes politicized
• Limited or at best opportunistic CSO participation
• Low accountability and transparency
• Poor or no inter-departmental coordination/information sharing
• Ad hoc and reactive and not strategic/pro-active

THE STRATEGIC MANAGEMENT FRAMEWORK FOR MDGs

• INSTITUTIONAL
  ➢ Rethinking
  ➢ Repositioning
  ➢ Integrating
  ➢ Linking
  ➢ Decentralization
  ➢ Capacity-building

• METHODOLOGICAL
  ➢ Tools, techniques
  ➢ Strategies
  ➢ Procedures
  ➢ Approaches

• PROCESS (ENGAGED GOVERNANCE)
  ➢ Public/private/CSO engagement/partnering
  ➢ Dialoguing
  ➢ Advocacy

• MONITORING AND REPORTING
  ➢ Shift from traditional monitoring to results based monitoring and evaluation (the RBME Concept)
  ➢ People-based monitoring/social accounting/auditing
Among others, implementation of MDGs requires significant changes to Governance environment.

- What is Governance Environment

  1. Governance:
     The manner in which decisions are made/power exercised.

  2. Governance Environment:
     The manner in which processes and arrangements are made to position the institutions, the citizens and/or the interest groups to participate (or not to participate) in the decision-making processes of the state.

**The Key Underpinnings of Pro-poor Institutions**

- Empowerment
- Participation
- Inclusiveness/‘joined-up government’
  - Equal access to decision-making
  - Equal access to and control over resources
  - Equal access to information
  - Guarantee of exercise of fundamental rights

In institutional terms, these elements can be grouped under two broad categories of governance institutions:

- Elements of Good Governance and/or pro-poor decision-making process is difficult to achieve without achieving the complementarities between these two types of governance institutions. Inter-facing these is the institution of market.

From the perspective of Pro-Poor or MDG oriented development the key governance challenges are, how to:

- Shift from top-down to engaging, partnering and decentralizing processes
- Strengthen analytical capacities of social and economic institutions for pro-poor policies and programmes
- Introduce tools, techniques, strategies, etc., that can help mainstreaming MDG concerns within the planning and budgeting process
- Initiate an ‘engaged governance’ process for citizens dialoguing
- Mainstream pro-poor public finance and budgeting

THANK YOU!
A2: EVOLUTION AND MAIN FEATURES OF THE RECENT APPROACHES TO POVERTY BY THE INTERNATIONAL COMMUNITY

Jean Le Nay

- The Washington consensus
- Le « new consensus »
- The deficiencies of the new consensus

The Washington consensus
- Fiscal discipline (budget financed without inflation)
- Assigned priorities for public expenditures: high economic return: health, education, infrastructure
- Tax reform: broaden tax base; cut marginal tax rates
- Financial liberalisation
- Competitive rates of exchange
- Trade liberalisation
- Foreign Direct Investment
- Privatisation
- Deregulation
- Property rights

The new consensus

The main steps to the new consensus
Three main steps
The « New York consensus »:
- The first Human Development Report: 1990
- The assessment of adjustment policies

The Copenhagen Social Summit: Recommendations
- Creation of an enabling environment for social development
- Eradicate absolute poverty
- Promote full employment as a central objective
- Promote social integration
- Gender equity and equality
- Universal and equitable access to primary education and health
- Accelerate development in Africa ans LDCs
- Insert social development in SAPs
- Increase resources for social development
- Strengthen cooperation for social development through the UN system
The new consensus (1)

- Framework for action on international development: MDGs
- Importance of security aspects and failed and failing states
- Key MGD: reduce poverty by half in 2015
- Growth is the most important drive of poverty reduction
- To improve health and education promotes both growth and poverty reduction
- Economies need to be open; trade promotes growth and poverty reduction
- Market economies promote growth and poverty reduction
- Public expenditures: Infrastructure for productive sectors, water, health and education should be prioritised
- Public institutions result-driven, accountable and decentralised are more likely to be corruption free
- PRSPs focus on poverty and participation

The new consensus (2)

- Good government and good policies necessary conditions for growth and aid
- Humanitarian assistance for countries which do not qualify
- Double present levels of ODA
- Part of ODA should be spent on debt relief
- Global funds and special instruments leverage aid
- Special instruments help focus aid on critical issues: HIV-AID
- Additional aid is best delivered through the WB
- Aid should support national budget
- If the countries use it well
- Rich countries should reduce subsisdies and provide better trade access

The deficiencies of the new consensus

Three main deficiencies

- Employment policies
- Income distribution policies
- A holistic approach to development and the status of governance

To promote the creation of decent jobs

Growth and job generation

- Starting point: economic growth
- Relation between economic growth and job generation: Elasticity ?
- Capacities of the poor to integrate the labour market

Labor intensive production strategies have positive macro economic impacts

Labor intensive strategies

- Adapt the legal and institutional framework
- Promote adequate training
- Governance
Growth and its distribution

Growth and equity

• Growth versus equity? Growth versus efficiency? A need to clarify the dilemmas
• Fight the poverty traps
• Market failures: Credit and insurance
• Targeting the poor

To promote an ethical and holistic vision of development

The Human Development paradigm: the primacy of humanism and the instrumentalisation of economics. HD is not a consequence of growth, but HD will promote growth. HD implies:

• Development of human capabilities: education, health, participation, absence of discrimination (based on gender or...), access to productive assets; freedom of choice
• A positive articulation of the political, economic, social and cultural dimensions

The main objectives of the human communities

• Long life and good health
• Access to all kinds of knowledge
• Enough resources to live a decent life
• Free participation in community and public decisions

The six pillars of Sustainable Human development

• Promotion of human resources (health, education)
• Poverty eradication
• Generation of decent jobs
• Women empowerment
• Environment management taking into account the future generations perspective
• Promotion of good governance (in its political, economic, social and cultural dimensions)

The political dimensions of good governance

• Legitimacy and accountability of State and government
• Association and participation freedom
• Fair and reliable Judiciary
• Information and expression freedom
• Accountable and transparent public administration
• Effective and efficient public finance management
• Effective cooperation with civil society
ANNEX B1: OPENING REMARKS

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Division of Public Administration and Development Management,  
UN-DESA  
Nairobi, Kenya  
28 – 30 June 2005

Honourable Representative of the Government of Kenya  
Coordinator of the UN System (Dr. Kemal Mustafa)  
Representatives of African Institute for Capacity Building (AICAD)  
Distinguished Guests and Participants  
Colleagues of the UN System Agencies

It gives me a great pleasure, and an honour, that the Government of Kenya and the Office of the UN Coordinator are hosting this important Workshop. Indeed, it is with deep regret that I could not be with you in person for this milestone event, but immediate exigencies, notably the ECOSOC High Segment on the Role of the State and MDGs, request my presence at HQ. Frankly, and with all due modesty, I know that my own loss will be greater than yours! But I can assure you that opportunities will arise for future collaboration, and partnerships, for we do not view this as a “one-off” event. Rather, it is part of a series of initiatives that DESA, and more generally the UN system, is undertaking with regard to the Millennium Development Goals. The focus in this workshop is on substance and with the practical implications for poverty reduction, and thus the choice of Sub-Saharan Africa is not fortuitous. In the plain language of the Millennium Declaration, it is the continent where the challenge is the highest.

A few words about UN-DESA. UN-DESA is a Department at the United Nations Secretariat. We have three main functions: (i) Normative – that we give feedback to the inter-government processes on the emerging issues and receive inputs for follow up; (ii) analytical – we carry out research and undertake publications on contemporary issues; and (iii) thirdly, we undertake capacity building and or technical cooperation activities at the global, regional and country level. This particular event is part of this third category of our functions. DESA has seven divisions, of which Division for Public Administration and Development Management is engaged in activities relevant for institution building, strengthening public policy processes and e-government. In this workshop, which is undertaken within the framework of DESA’s technical cooperation initiatives, we intend to combine the aspects of both evaluation of public policies and their processes, in relation to MDGs.

The six countries represented here, Kenya, Ethiopia, Uganda, Tanzania, Namibia and Zimbabwe, attest to the adage that “one size does not fit all”. While sharing these views we look forward to learn from the country experiences, and about methodological and practical ideas on how to strengthen the impact of public policy and the role of the civil society. Civil Society Organizations and the NGOs are becoming important partners in governance processes.
These partnerships, more often than not, seemed to have accrued positive results. However, there are challenges that remain. Mutual trust, the capacity to dialogue etc. are regarded as elements requiring further attention.

Beyond the experiences of the six countries, which will be highlighted in this workshop, there is a wider context that I wish to share with you. More than halfway in the course of the MDGs, that is, between 1990 and 2015, progress is still uneven. The setbacks are well known and duly noted regularly, and on an annual basis, in the Secretary General’s Progress Report on the MDGs. Much more about these, and the associated discussion, will be heard in September 2005 when the General Assembly and World Leaders will gather to review the progress. However, in this wider context, and as the UN reviews including the Millennium Project and the SG’s report point out, progress is visible and we have a good idea on what needs to be done:

**Mobilization of Resources**

Currently, ODA is of the order of US$70 billion annually, modestly higher in real terms than the US$55 billion at the beginning of the Millennium. These are global estimates, which tell us little about the capacity requirements, and the absorptive capacities, of individual countries. Indeed, the exercise of a needs assessment by country is at an early stage and we trust the deliberations of the workshop will shed light on this process of refining the needs assessment to take into account country specificities and constraints. We do know however that an increased number of countries, including Belgium, France, Spain and the UK have committed themselves to increasing ODA, within the next decade, to the avowed 0.7 percent of GNI which has long been on the development agenda. This new band of countries will join the select few Scandinavian countries that have already reached the 0.7 percent GNI goal. All this is to be welcome, and we expect that commensurate progress will also be achieved with trade and debt cancellation.

However, a subtle but distinct change is occurring where emphasis is increasingly placed in the internal or country-based factors for enhancing progress for the MDGs. Hence, the timeliness of this workshop and why our endeavours are on the forefront of what is required. For paramount among these country-based factors and processes, the impact of public policy and the role of contribution of civil society are supreme.

**Public Policy and Civil Society**

It may be recalled that an overall objective of the workshop is to draw lessons on the impact of public policies on poverty reduction and to provide the means to the participants to carry out such impact studies at the country level. The impact of public policies is closely interconnected to the engagement and contribution of civil society. Communities are not the mere recipients of support and services but ought to be involved in the decisions and outcomes that shape their future. Hence, civil society’s empowerment and engagement is part of the deepening of the democratic process, what is usually called “good governance”, but more immediately is one of the instruments or tools for enhancing the effectiveness of public policies for poverty reduction. The question naturally arises on the role of civil society in pro-poor policies, and how to strengthen the partnership between the public sector and the communities both in terms of arriving at mutually agreed goals and mutually designed policies for implementation.
Other issues also may arise: namely concerns about the capacities of civil society to dialogue with policymakers; questions about the representative nature of NGOs in speaking on behalf of the poor and of communities; and how these concerns fit into the need for strengthening poverty reduction strategies, and specifically the Poverty Reduction Strategy Papers. Further, and at a more practical level, is the issue on how to assess the participation of civil society and how to evaluate and monitor progress in achieving poverty reduction. These are central questions not only for the international partners but also more immediately for the participants to this workshop. In conclusion, let me underscore the following points:

- The importance of analytical capacity to evaluate policies and programme, both ex-ante as well as ex-post;
- The importance of both holistic and country specific approaches to the challenges for MDGs and in particular on the strengthening of capacities of Civil Society Organizations and Government Dialogue for pro-poor policies;
- The stress on the practical implications of the workshop both in terms of experiences, and best practices, and in terms of developing methodologies and tools that enhance the impact of pro-poor policies and the involvement of civil society; and
- The ongoing nature of this work and the need for an action programme and programmatic initiatives that will support the systematic monitoring of the impact of public policies and civil society engagement.

Once again, I am immensely grateful to all our partners, especially to the Government of Kenya, the Office of the UN Coordinator, and the Africa Office of UNCRD, for their support, and wish the participants vibrant and fruitful deliberations.

Thank you for your attention!
30 June 2005
Estimted Colleagues,

Let me begin as we started, by thanking, once again, Mr. Mustafa Kemal, UN Resident Coordinator, a.i., and Mr. A.K.M. Kilele, Director, Central Bureau of Statistics, Government of Kenya, for launching this vibrant workshop last Tuesday, 28 June 2005. As I have said before, both UN-DESA and especially the Chief of Branch, Mr. Adil Khan, who could not be with us, are immensely grateful. We also wish to thank Mr. Paul Andre de la Porte, for his support as UN Resident Coordinator.

Our immediate host and co-organizer, UNCRD, Nairobi, and in particular Dr. Asfaw Kumssa put a lot of effort both in preparing this event and in delivering excellent results on the day. We are very grateful to Dr. Kumssa and all the able staff of UNCRD for their thoughtful and constant support.

I also wish to thank Dr. T. Kiriti, our consultant on the ground, for her assistance to date and look forward to her support in the days ahead.

Mr. Tomikazu Inagaki and Professor Andrew Gidamis, from African Institute for Capacity Development, despite their busy schedule, made time and effort to be with us. We very much look forward to deepen our collaboration in future.

Above all, fellow participants, I want, on behalf of UN-DESA, my Chief of Branch and my colleagues J. Le Nay and Katsiaouni, who are here with me, to thank you for accepting our invitation to come here and for participating actively in all the proceedings of the workshop.

We have listened to many thoughtful contributions by the six participating countries and we have retained the best impressions of both individual and group professional capacities. We shall share with you the outcomes of the Workshop Proceedings, and also we shall brief UN-DESA management on our deliberations. We would very much like that this opportunity is taken by all countries through our colleagues here to deepen technical collaboration with the UN system and UN-DESA in particular. We wish you a safe journey home.

Finally, let me thank UNON (the United Nations Office in Nairobi), for all the logistical support and pleasant venue for our work.

Once again to all of you, many thanks and bon voyage!
ANNEX B3: WORKSHOP ON CITIZEN-GOVERNMENT DIALOGUING:
EVALUATING POLICIES FOR POVERTY REDUCTION

Programme
28-30 June 2005
(Conference Room 3)

TUESDAY, 28th June 2003

Morning

8.45-9.30 Registration

SESSION 1: OPENING PROGRAMME

9.30-9.45 Welcoming Remarks, by Mr. Mustafa Kemal, UN Resident Coordinator a.i./UNFPA Country Representative

9.45-10.00 Opening Statement, by Mr. A. Khan, Chief UN-DESA (Read by Mr. S. Soumahoro)


10.15-10.30 Coffee/Tea Break

SESSION 2: KEYNOTE SPEECH AND BACKGROUND/CONCEPT PAPERS

Moderator: A. Kumssa, Coordinator, UNCRD Africa Office
Rapporteur: I. Mwangi, National Expert, UNCRD Africa Office

10.30-10.50 Keynote Speech: Millennium Development Goals (MDGs) and Public Policy Strategies and Processes, by A. Khan (Presented by O. Katsiaouni, Interregional Adviser, UN-DESA)


11.10-11.30 Concept Paper: Evaluating Public Policies for Poverty Reduction: Tools, Techniques and Processes by Dr. T. W. Kiriti, Senior Lecturer, University of Nairobi

11.30-12.30 Discussion
SESSION 3: COUNTRY CASE STUDIES
Moderator: O. Katsiaouni, Interregional Adviser, UN-DESA
Rapporteur: T. W. Kiriti, Senior Lecturer, University of Nairobi

12.30-12.50 Civil Society Organizations in Poverty Monitoring Systems in Tanzania, by Dr. H. H. Semboja and Malago Malagashimba, Tanzania

12.50-13.10 Poverty Reduction in Uganda: The Experiences of Involving Civil Society Organizations, by M. Kakande and Mr. E. Mugeyenyi, Uganda

13.30-14.10 Lunch Break

Afternoon

SESSION 4: COUNTRY CASE STUDIES (Cont’d)

14.10-14.40 Discussion

14.40-15.00 Monitoring and Evaluation of Sustainable Development and Poverty Programmer and Engagement of Civil Society: The Ethiopian Experience, by Mr. H. Dinka and Mr. G. Aleme, Ethiopia

15.00-15.20 Namibia: Facing the Challenge of Poverty Reduction in the Context of Decentralization Reform and Civil Society Participation, by Ms. R. M. Ndopu and Mr. S. Geiseb, Namibia

15.20-15.35 Coffee/Tea Break

15.35-16.05 Discussion

SESSION 5: PLENARY DISCUSSION OF THE COUNTRY CASE STUDIES AND SYNTHESIS
Moderator: J. Le Nay, Interregional Advisor, UN-DESA
Rapporteur: P. Ondieki, Director, Poverty Eradication Commission, GoK

16.05-16.30 Plenary Discussion on the Country Case Studies

16.30-17.30 Synthesis of the Day’s Findings

WEDNESDAY, 29 JUNE 2005

Morning

SESSION 6: COUNTRY CASE STUDIES (Cont’d)
Moderator: S. Soumahoro, Programme Manager, UN-DESA
Rapporteur: Ojijo Odhiambo, MDGs Advisor, UNDP-Kenya
9.00-9.15  Programme of the day and any other business

9.15-9.35  Poverty Reduction Strategies and Engagement of Civil Societies: the Case of Zimbabwe, by Mr. S. G. Mhishi and Prof. E. Kaseke, Zimbabwe

9.35-9.55  A Case of Developing a Monitoring and Evaluation System for Poverty Reduction Strategies in Kenya by Mr. P. B. Ondieiki, Kenya

9.55-10.15  Policy Based Approaches to Poverty Reduction and Civil society Engagement by Prof. P. Alila and Prof. E. Njeru, Kenya

10.15-10.45  Discussion

10.45-11.00  Coffee/Tea Break

11.00-11.30  Plenary Discussion on Country Case Studies

11.30-12.30  Working group discussions. Two groups on:
(a) Policies
(b) Processes

12.30-13.30  Lunch Break

Afternoon

SESSION 7:

Moderators: P. Alila, Institute for Development Studies, University of Nairobi
J. Le Nay, Interregional Adviser, UN-DESA

Rapporteur: E. Njeru, Sociology Department, University of Nairobi

13.30-15.30  Continuation of working group discussions

15.30-16.00  Presentation of working group reports

16.00-16.15  Coffee/Tea Break

16.15-17.15  Discussion

CLOSING PROGRAMME  (30 June 2005)

09:00 – 09:30  Report Presentation

09:30 – 10:00  Discussion

10:00 – 10:30  Evolution and Main Features of the Recent Approaches to Poverty by the International Community by Mr. J. Le Nay, International Community, Interregional Adviser, UN-DESA

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10:30 – 11:00  Discussion
11:00 - 11:45  Coffee/Tea Break
11:45 – 12:00  Presentation of Draft Action Programme
12:00 – 12:30  Discussion and Adoption of Draft Action Programme
12:30 – 12:45  Evaluation and Collection of Questionnaire
12:45 – 13:00  Closing Remarks – UNDESA and UN Coordinator
13:00 – 13:10  Vote of Thanks and Closing
13:10 – 14:00  Lunch
19:30 – 21:30  Reception hosted by UNDESA at Pavillion Ballroom, Safari Park Hotel
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ANNEX B5: EVALUATION FORM, CITIZEN-GOVERNMENT DIALOGUING: EVALUATING POLICIES FOR POVERTY REDUCTION

28-30 June 2005
Nairobi, Kenya

Name: (optional)
Organization: (optional)
Duty Station: (optional)
E-mail address: (optional)

Please note that 1 is least satisfactory and 5 most satisfactory
Please provide comments where necessary

1. Organizational and Logistical matters:

a) Adequacy of the organizational arrangements at HQs
   1)  2)  3)  4)  5)

b) Transport
   1)  2)  3)  4)  5)

c) Accommodation
   1)  2)  3)  4)  5)

2. Meeting venue

a) Seating arrangement
   1)  2)  3)  4)  5)

b) Audio-visual facilities
   1)  2)  3)  4)  5)
3. Sessions

a) Allocation of time between presentations and discussions
   1)  2)  3)  4)  5)

b) Issues addressed
   1)  2)  3)  4)  5)

4. Content of Workshop

a) Country Case Studies
   1)  2)  3)  4)  5)

Please comment:

b) Working Group Discussion
   1)  2)  3)  4)  5)

Please comment:

c) Action Programme
   1)  2)  3)  4)  5)

Please comment:

d) Overall presentation
   1)  2)  3)  4)  5)

Please comment:

5. Have the objectives of the workshop been met? If not, please comment

6. Additional suggestions for follow up where appropriate:
1. EVALUATION OF THE QUESTIONNAIRE

During the last day of the three-day workshop a questionnaire was administered to elicit responses by the participants on a number of issues, both substantive and organizational, concerning the Workshop. The organizers soon realized that this was not, by any means, the only way to assess the participants’ views on the event. As the number of participants, four from the host country and two representatives from each of the other five participating countries, was relatively small there were other opportunities to interact, on a one to one basis, and discuss progress and follow up. The sessions at the workshop, which were both vibrant and productive, were complemented with less formal interactions at the hotel where all the participants stayed for the duration of the event. Hence, there were adequate opportunities for assessing both the views of the individual participants and the mood of the group. These were, by and large, positive which were buttressed by the last day’s questionnaire and expression of thanks to the organizers.

It may be recalled that the workshop was organized by UN-DESA in partnership with the Government of Kenya, the UN Coordinator’s Office and the UNCRD, Nairobi. The workshop focused particularly on two areas: 1) The impact of public policies on poverty reduction; and 2) on the processes that influence decision-making regarding pro-poor policies. An overall objective of the workshop was to draw lessons from East and Southern African countries (namely, Kenya, Ethiopia, Tanzania, Uganda, Namibia and Zimbabwe) on the impact of public policies on poverty reduction and discuss means with participants for carrying out such studies at country level. With respect to the Citizen-Government Dialoguing for Pro-Poor policies (CGDPP) objectives included, sensitization to the key concerns of CGDPP, the strengthening of civil society organizations and to present lessons and best practices of CGDPP. Representation from each country was composed one participant from civil society and another from government - in the case of Kenya the two further participants were from academic institutions. The respondents were given the choice of responding to the questionnaire either by name or secretly. In the event, 10 out of the 14 respondents provided their names, address and organization, while the four remaining responded in secret. No qualitative bias, that is being more or less critical of the workshop, can be observed by any the two groups responding.

There were five specific parts to the questionnaire, and an additional generic for follow up: The five parts were:

- Organizational and Logistical Matters
- Meetings and Venue
There were 14 responses to the questionnaire that matches all participants, that is four for the host country, and two for every other country. All responses were given on a scale 1 to 5, with 1 being least satisfactory and 5 most satisfactory. There were no difficulties reported in understanding the questions and for providing a timely response.

2. DETAILED OBSERVATIONS ON THE RESPONSES

2.1 Organizational and Logistical Matters

Under this head three matters were raised: i) Adequacy of the Organizational Arrangements at HQs; ii) Transport; iii) Accommodation. Note that questions ii and iii did not apply to Kenyan participants. The responses were more or less uniformly positive. For (i) above, most participants/respondents, that is 8 out of 14, awarded the highest mark possible, that is most satisfactory, to arrangements at HQ, while the remainder awarded the fourth highest on the scale. There were no marks awarded for the first three, that is, 1 to 3 marks, at the lower scale. Regarding transport and accommodation out of the 10, non-Kenyan respondents, again the results were in the upper reaches of the scales, that is four and five, demonstrating high satisfaction. One participant, though awarding the highest possible marks for accommodation, noted that for him/her the accommodation was expensive. This cannot be taken seriously for out of the Daily Subsistence Allowance, of US $ 200, fifty percent was for accommodation, including breakfast – well within UN rules and practices on this matter.

2.2 Meeting Venue

This was composed of two elements, one for seating arrangements and the other for audio-visual facilities. It may be noted that the seating arrangements were circular, thus permitting fluid interaction through the chair, while audio-visual facilities were available throughout the proceedings. A high majority, close to 70 percent, awarded the highest possible marks, that is five, to both these facilities with the residual, that is 30 percent of participants, giving the next best possible mark, that is 4. The sole exception was a single respondent that awarded a 3 (which borders on unsatisfactory) for seating arrangements. However, since no comment was made, to explain this response, it is difficult to see what problem this respondent found with the sitting arrangements. We may suggest in future that participants can choose where to sit. In the venue of this workshop each participant had his or her predetermined seat with a name plate attached.

2.3 Sessions

Under “Sessions” two topics were addressed – i) allocation of time between presentation and discussions; and ii) issues addressed. Here there was more variability to the responses, which is a boon to the analyst. First, it is clear that the participants would have liked a different orientation between presentations and discussion with a definite bias in favour of more discussion. Second, the vast majority of participants, awarded the top two grades, that is marks 4 and 5, to both the issues addressed and the allocation of time. Thus, a subtle distinction here, what the participants are telling us is that substantively both presentations
and group discussions were good, however, if given the choice group discussion is set as a higher priority.

2.4 Content of Workshop

There were four interlinked issues explored under “Contents of Workshop” – which may also be described as the substantive part of the whole process. In turn the issues probed were: Country Case Studies; Working Group Discussion; Action Programme; and Overall Presentation. This part of the questionnaire spanned the plenary and group sessions, as well as the differentiated approach between overall presentation on specific themes and country case presentations.

It is worth noting that considerable work was devoted to the substantive part at HQ and during the workshop both by UN-DESA and its partnering institutions, including countries and UNCRD. The form of pre-workshop preparation included specific guidelines for participants, guidelines for the write up of country case studies, guidelines for the group discussants, background papers and an aide memoire. The organizing team having paved the way and cleared questions regarding group discussions did not participate actively in the group discussions, unless invited to comment. Thus, officers were chosen by each group, both moderator and rapporteur, and the organizers facilitated and provided adequate space for discussion and reporting. Further, the fact that the groups were relatively small helped tremendously in establishing a one-to-one relationship with the participants. This encouraged participants to be frank and to provide feedback on the day’s transactions. The separation into Process and Policies thematic groups was by far the biggest innovation thought immediately relevant by the participants with one participant writing, after awarding the highest possible marks that “Separation of policy and process was very helpful. One may have a good policy, but the process may fail”.

Given the solid preparation for the workshop, the strong substantive themes presented, the particular choice of participants from the ranks of government and civil society, and the strength of the UN-DESA partners, the results should have been predictable. The majority of responses, over 90 percent, fell within the highest two groupings, that is rank 4 and 5, with a certain positive bias for the working group sessions and the plenary presentations. By comparison the country case studies met a greater variability in score by the participants.

2.5 Meeting of Objective of the Workshop

It is both gratifying, and instructive, to note that the positive responses of the participants to the organization, content and working arrangements for the workshop, is also reflected in response to the question “Have the objectives of the workshop been met?” The Response was uniformly positive and of the highest possible affirmative score. One may venture to suggest that meeting the objectives of the workshop is not purely satisfying the goals set out by the organization, apriori, as the rationale for the event. It is also whether in the permitted time, on this occasion - three days, there is sufficient exchange of ideas, cognizance of experience, lessons learned and sense of accomplishment, both individually and as a group, for the participants to feel that the experience was both professionally and personally worthwhile and instructive. It was indeed an accomplishment that both the organizers’ objectives and those of the participants were in unison and in agreement.
2.6 Additional Suggestions

The ideas presented under “additional suggestions for follow up when appropriate” are illuminating. These ranged from the practical, such as sharing the overall report of the workshop with the participants, to more conceptual, such as to find ways to follow the event by country consultations, and make such a workshop a more regular feature, that is every two years, of collaboration between international and national partners. The getting together of both government and civil society, by country, and the group discussions on process and policies that followed, were key elements in the vibrancy and success of the workshop. The invitation for individual country consultations is an enticing prospect, provided the partners, including UN-DESA, are able to mobilize funds, or leverage other projects, that can deliver similarly high quality workshops.
Citizen-Government Dialoguing: Evaluating Policies for Poverty Reduction

United Nations

Department of Economic and Social Affairs
Division for Public Administration and Development Management

website: www.unpan.org/dpepa.asp