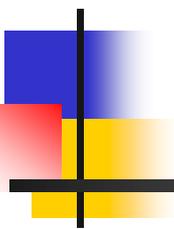
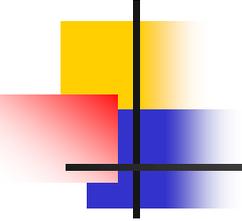


A General Overview of the Status of PRSPs and Economic Policies in the SADC Region



By Grayson Koyi,
INESOR, Zambia



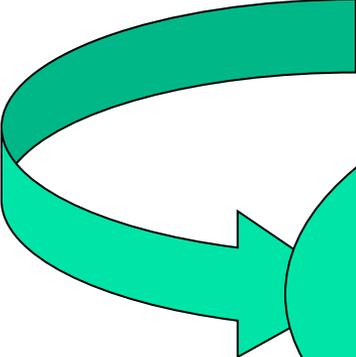
Overview

- Introduction
- Overview of the SADC Socio-Economic context
- Analytical framework: *PRSP approach & contrasting views*
- SADC Status of PRSPs: *Progressing? : A look at reported strengths*
- SADC Status of PRSPs: *Retrogressing? :A look at reported weaknesses*
- New directions: *Second generation PRSPs*
- Conclusion: *SADC in need of fundamental socio-econ transformation*

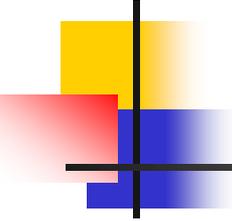


1. Introduction

Over last 25 years, IMF-WB encouraged DCs to adopt neo-liberal econ reforms

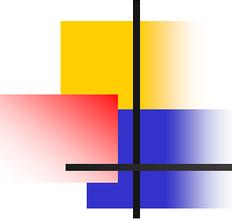


since 1999 HIPCs made to adopt PRS/PRSPs: condition for debt relief & lending.
Now, PRSP becoming centre of devpt asstce - Monterrey concss; Rome decl.



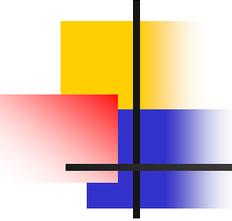
Introduction contd.

- As of August 2005, 49 countries had a PRSP under implementation
- And a 'second generation' PRSP has emerged in Bolivia, Burkina Faso, Nicaragua and Tanzania. Uganda is developing its third.
- This paper provides a gen. overview of PRSPs in the SADC to shade some light on emerging patterns of progress and retrogress.



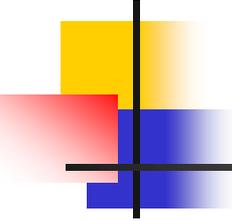
2.SADC Socio-Economic Context

- The regional economy presents a mixed picture.
- In 2004, the regional macro economy reported:
 - GRGDP(%) = 3.8
 - Inflation(%) = 34
 - External sector: except Botswana, Namibia & Mauritius all SADC countries experienced current account deficits
- On the HD front:
 - 70 million out of 200 million people below PL of \$1/day
 - U5MR of 135/1000 lags far behind other regions of the world
- In terms of PRSP adoption + implementation:
 - From total of 14 SADC countries:
 - 5 have full PRSPs – Lesotho, Malawi, Mozambique, Tanzania & Zambia
 - 6 not eligible – Botswana, Namibia, RSA, Swaziland, Seychelles & Mauritius
 - 2 initial stages- Angola & Zimbabwe
 - 1 has I-PRSP but not yet completed full PRSP-DRC



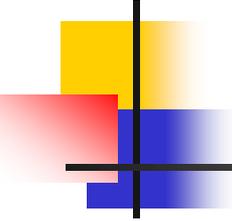
3. PRSP Approach: Five Core principles

- *Country-driven*, promoting national ownership of strategies thru broad-based participation of CS
- *Result-oriented* and focussed on outs that benefit the poor
- *Comprehensive* in recognising the multidimensional nature of Poverty
- *Partnership-oriented* involving coordinated participation of development
- Based on *long-term perspective* for poverty reduction



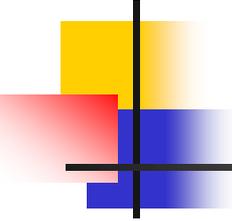
PRSP Approach: Contrasting views

- Critical as background to unpacking the PRSP core principles are two contrasting views:
 - On one hand, PRSP is seen as offering a potentially transformative agenda for pro-poor reform
 - Provide opportunities for govt commitment to pro-poor policies
 - Make donors coordinate progs with country priorities and processes
 - Consultation will enhance quality of policies & govt accountability to domestic outcomes



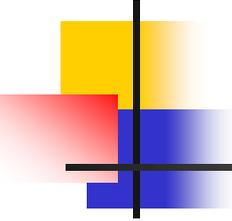
PRSP Approach: Contrasting views

- In the alternative perspective:
 - the very fact that the donor is leading the PRSP is seen as pre-disposing it to have a negative effect on national development
 - The assumption that weakness in public policy can be addressed thru international policy flies in the face of evidence
 - PRSP impose international priorities and undermine local level accountabilities



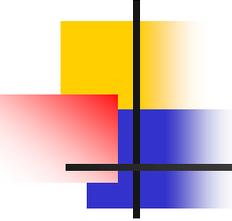
PRSP Approach: Contrasting views

- In practice, the two visions appear less sharply opposed;
 - Many on both sides would agree that incremental progress is possible thru PRSP but,
 - At the same time are aware of the challenges involved in consistent implementation of pro-poor policies
- The picture of Status of PRSP in SADC is painted within this context.



4. Status of PRSPs in SADC: *Progress?*

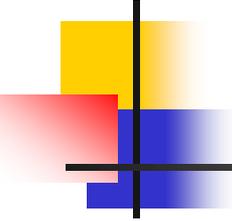
- Taking PRSP core principles as point of reference, the current status of SADC PRSPs suggest incremental progress in three key areas:
 - More poverty focussed governments
 - More engaged civil society
 - More attention to Donor alignment



4.1 More Poverty focussed Government

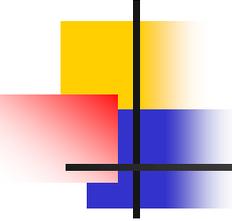
- Emphasis on poverty among SADC PRSP implementing countries has moved up govt agenda

- Four areas attest to this:
 - Poverty plans are becoming more comprehensive than before
 - Poverty plans are no longer vague statements or soc. sector projects only
 - There are increases in poverty-oriented expenditures
 - Annual expenditure on soc. sector as % of GDP up in SADC PRSP Countries
 - There are improved prospects for linking poverty planning & budgeting
 - e.g. PRSP + budget support equation
 - PRSP accompanied by MTEFs in Malawi, MozabQ, Tanzania & Zambia
 - Increased interest in Poverty monitoring
 - There is an upsurge in PPAs & household survey work e.g. CSPR in Zambia



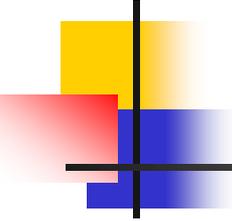
4.2 More engaged civil society

- A second broad pt of strength can be seen in an unprecedented engagement of CS in policy debates.
- Gains can be traced in two main areas:
 - New spaces for poverty policy debate
 - In Malawi PRSP consultation associated with erosion of 'culture of secrecy' inherited from Banda era
 - CSPR in Zambia recognised as key stakeholder in policy dialogue
 - In Lesotho, 'Mohale experience' has since changed the way govt does business
 - Civil society mobilisation on an unprecedented scale
 - Both faith groups & NGO umbrella organisations have mobilised to engage govt on PRSP.
 - Cases in point: MEJN (Malawi), CSPR (Zambia), LCN (Lesotho), MozambiQ debt group
 - Processes in Tanzania & Mozambique appear less consultative



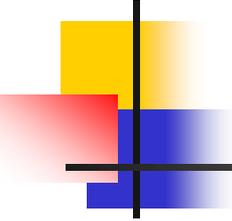
4.3 More attention to Donor Alignment

- A third broad area of incremental progress attributable to the PRSP can be seen in more focussed attention on donor alignment and harmonisation at both international and country level.
- Much remains to be done, however.
- Positive impacts can be seen in two areas:
 - The establishment of the principle of donor alignment & harmonisation – Monterrey & Rome declarations.
 - Initial moves towards alignment & harmonisation at country level – e.g. in Zambia, Malawi donors are moving towards budget support.
 - Still a lot remain.
 - Aid still undermining national capacity
 - CSPR evaluation in Zambia.



5.0 A look at weaknesses: PRSP retrogressive?

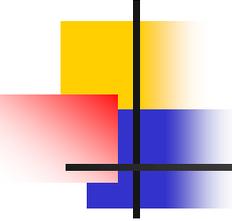
- Despite reported incremental progress, the status of PRSP in SADC exhibit a number of weaknesses.
- Weaknesses can be seen in 4 key areas:
 - Elusiveness of country ownership of PRSPs
 - Unclear linkages between growth & poverty reduction
 - Social sector bias
 - Lack of clarity on stakeholder roles & responsibilities



5.0 A look at weaknesses: PRSP retrogressive?

■ **Elusiveness of Country Ownership:**

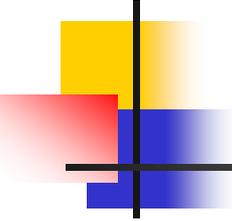
- Neither parliament nor political parties have been fully involved. E.g. in Zambia & Mozambique only political body involved were ministries and cabinet office/council of ministers
- Line ministries not sync with centrally planned PRSPs
- Local government planning cycles often out of synch with PRSPs e.g. Zambia
- Poor people inadequately represented- Urban NGOs dominating.
- Donors still directly or indirectly pursuing the adoption their favourite policies
 - 'back stage negotiations',
 - performance assessment framework matrix e.g. in Tanzania 77 separate actions needed, 13 of which are prior actions for PRSC.



5.0 A look at weaknesses: PRSP retrogressive?

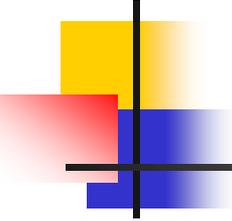
- **Unclear growth-poverty links**

- No clear definition of the relationship between growth & poverty
- Little analysis of policy trade-off & managing external shocks
- Almost all PRSPs in the region have not questioned the economic reforms carried out in the 1990s
 - They rather seem to complement those reforms



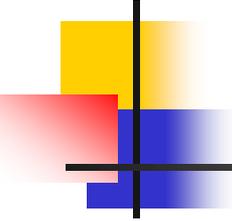
5.0 A look at weaknesses: PRSP retrogressive?

- **Social sector bias:**
 - While taking a generally comprehensive approach, SADC PRSPs have tended to privilege social sector spending over longer-term structural issues such as employment & agric are under-emphasised
 - In this sense, the PRSPs have taken the form of 'debt for social sector expenditure swaps'
- **Unclear roles of Stakeholders & responsibilities**
 - obvious cases – MozambiQ, Tanzania & Zambia
 - Targets not broken down to provincial or district levels thereby inhibiting monitoring the local level.



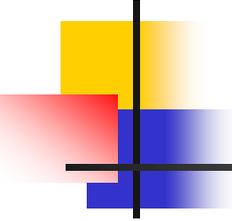
6.0 New Directions: “2G PRSPs”

- The status of PRSPs in the SADC can also be characterised as being in transition towards new directions.
- In other words, most PRSPs in the region are at a starting point of new phase that can be labelled ‘Second Generation’ PRSPs i.e. Poverty reduction beyond HIPC context.
- 2 G PRSPs are being used to restructure & restore productive sector & to some extent giving less attention to social objectives.
- In Tanzania, 2G PRSP labelled National Growth Strategy and Poverty Reduction. In Zambia 2G PRSP called fifth NDP



7.0 Concluding remarks

- Status of PRSP in SADC shows:
 - Mixed picture of incremental progress & retrogress in fundamental areas
 - Depending on one's view this can entail optimism or pessimism
 - The final destination of PRSPs is still open to question, however. 2G PRSP are now upbeat.
 - In principle, 2G PRSP should allow govts to imprint their own identities & strategies but the danger that the PRSP project poses is, the enormous expectation it raised.
 - One thing is clear. The SADC region is in need of fundamental social and economic transformation and real solutions can only come from within.



Practice exercise

- Trade union strategies to improve quality of participation in PRSP/ national development strategies as well as in monitoring and evaluation of these strategies.