

# Poverty reduction stalled

Heavily indebted countries are suffering because there is no real ownership of poverty reduction strategies

Barbara Kalima-Phiri

As a considerable number of countries are now entering the second phase of the Poverty Reduction Strategy Papers (PRSPs) process; questions around ownership, financing, civil society organisations' participation and policy targeting continue to hinder the successful implementation of poverty reduction strategies in Southern Africa.

According to the International Monetary Fund and World Bank, as of 2005, 49 countries had prepared and fully completed poverty reduction strategies. Just more than half of these countries are in sub-Saharan Africa; and a similar proportion are heavily indebted poor countries. The PRSPs are intended to help a country manage its social policies and overall macroeconomic growth programmes, and its external financing needs through a participatory process involving civil society and development partners.

So far, most countries have developed their poverty reduction strategies alongside other national development plans. The fact that these policy documents are not harmonised indicates that there is no real ownership of the programmes. This has major implications for implementation, and begs the question, which programmes are countries implementing?

The World Bank and IMF acknowledge that "where PRSPs are developed in parallel with other documents, their role in government decision-making is often unclear, although there have been encouraging shifts toward consolidation of plans in some countries". In addition, ministries of finance are not always sufficiently involved in the PRSP process, undermining the very important link to the budget.

The fact that the boards of the World Bank and the IMF still play a critical role in endorsing what a "good or bad" PRSP is, in itself undermines national ownership of poverty reduction strategies.

However, some countries have internalised the principle of aligning government policies with poverty reduction priorities. This is now happening in a range of countries including, among others, Ethiopia and Mozambique. In some coun-



In some countries such as Tanzania and Uganda, donors are developing joint country assistance poverty strategies. Photograph: Paul Botes

tries such as Tanzania and Uganda, donors are developing joint country assistance strategies.

Another challenge around implementation of poverty reduction strategies is the limited participation of civil society organisations especially in the second genera-

tion PRSPs. A continuing criticism from civil organisations is that they are asked to react to existing programmes rather than contribute to an overall rethink of the government's programmes.

In addition, some policies that critically underpin the PRSP, in particular

the macroeconomic framework, are not sufficiently open to public debate.

However, the majority of recent PRSPs point to an increased interest and involvement of parliamentarians in PRSP preparation, although they envisage a more significant role around legislature and oversight during implementation.

It is also clear that some participatory instruments and approaches used for PRSP implementation and monitoring remain confined to "elite NGOs", without necessarily involving the very poor people who are most affected by poverty. There is need to ensure that the voices of the poor are well articulated at each stage of public policy process.

But more fundamentally, there should be deliberate efforts to ensure that the policy misalignment between the PRSPs plans and the Millennium Development Goals is minimised.

The reality on the ground is such that PRSPs present poverty reduction milestones over a period of three to five years, while the development goals are global targets for 2015. This has led to the difficulty of translating medium-term goals, which by their nature are subject to significant uncertainty, into national budgets year by year on the basis of actual policies and available financing.

In charting the way forward, it is clear that the process of policy development to address poverty has to be accompanied by a system or mechanisms that ensure that the policies developed are effective.

In a context of extreme inequality and chronic poverty such as that experienced in Southern Africa, there is a need for a mix of a "rights-based approach" (that is a needs-driven, social justice and supply-side focus) to ensure social equity and a "sustainable livelihoods approach" (that is an assets-driven, market development and demand-side focus) to create new wealth. This should ensure the elaboration of an adaptable and responsive policy environment, informed by the real experiences and practices of people living in poverty.

Barbara Kalima-Phiri is the policy analyst for poverty reduction strategies with the Southern Africa Trust

## In quotes

**"I believe that the adoption of poverty reduction strategies presents an important opportunity to reform the relationship between donors and low-income countries."**

— Louis Kasekende, chief economist, African Development Bank

**"Poverty Reduction Strategy Papers helps to inform how countries can achieve their goals to reduce poverty... PRSP is a country's document it is not a [World] Bank document, it's a country's own strategy to reduce poverty, this is done in partnership with the World bank, United Nations or whichever development partners in a specific country."**

— Mallory Saleson, external affairs, World Bank

**"The mere fact that the World Bank and the IMF [International Monetary Fund] have been supervising and monitoring the PRSP processes even at micro levels across poor countries renders the whole question of local ownership a mockery. Why is it a must that the final document of the PRSP must be submitted to the Fund-Bank Boards for approval and not the key stakeholders in the participating countries?"** — Jack Jones Zulu, policy analyst, Jubilee-Zambia

**"Out of 20 countries, 16 had an agreed PRGF prior to the completion of the PRSP — thereby severely limiting the influence of national stakeholders over macroeconomic target-setting. Representatives from line ministries, trade unions, civil society and academia are beginning to feel that they are involved in a process of 'choiceless' participation; all sense severe limitations for generating home-grown strategies".** — Oxfam International

## A forest can grow from the seeds of one tree

In recognition of one such legacy, the inaugural *Drivers of Change Award* has been awarded posthumously to Dr José Negrão; an academic and activist who, in promoting inclusive dialogue towards overcoming poverty, was an inspiration to many people living in Mozambique and across southern Africa.

In the same light, the Treatment Action Campaign received a special commendation for driving change in policies and strategies to address HIV and AIDS.

The Southern Africa Trust honours the late Dr Negrão, congratulates the Treatment Action Campaign and thanks all the individuals and organizations that submitted nominations.

Go to [www.southernafricatrust.org](http://www.southernafricatrust.org) for more details.



DRIVERS OF CHANGE



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