

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



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# Overview

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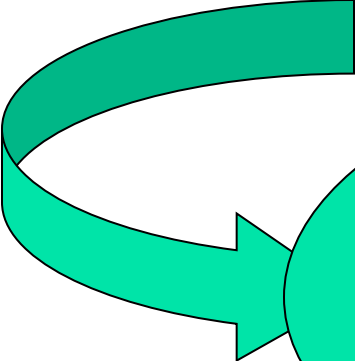
- Introduction
- Overview of the SADC Socio-Economic context
- Analytical framework: *PRSP approach & contrasting views*
- SADC Status of PRSPs: *Progressing? : A look at reported strengths*
- SADC Status of PRSPs: *Retrogressing? :A look at reported weaknesses*
- New directions: *Second generation PRSPs*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



# 1. Introduction

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**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.

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- 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

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- 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, MozbQ, Tanzania & Zambia
    - 6 not eligible – Bostwana, Namibia, RSA, Swzld, Sychls & Mauritius
    - 2 initial stages- Angola & Zimbabwe
    - 1 has I-PRSP but not yet completed full PRSP-DRC



## 3. PRSP Approach: Five Core principles

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- *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

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- 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

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- 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

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- 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?*

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- 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

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- 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

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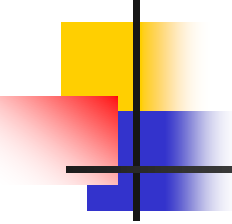
- A second broad pt of strength can be seen in an unprecedented engagement of CS in policy debates.
- Gains can be traced in two main areas:
  - New spaces for poverty policy debate
    - In Malawi PRSP consultation associated with erosion of 'culture of secrecy' inherited from Banda era
    - CSPR in 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

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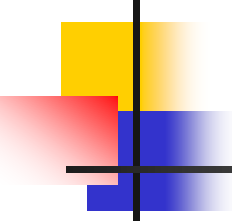
- A third broad area of incremental progress attributable to the PRSP can be seen in more focussed attention on donor alignment and harmonisation at both international and country level.
- Much remains to be done, however.
- Positive impacts can be seen in two areas:
  - The establishment of the principle 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?

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- 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

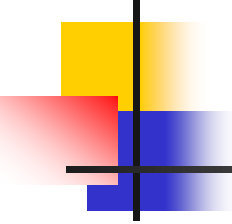


# 5.0 A look at weaknesses: PRSP retrogressive?

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## ■ **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.

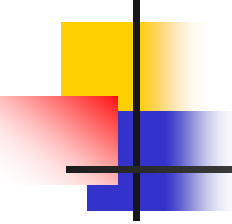


## 5.0 A look at weaknesses: PRSP retrogressive?

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- **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?

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- **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”

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- 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

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- 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

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