



POLICY BRIEF

June 2005

ECA/DPMD/GOV/PB-Issue 1

“Participation and Partnerships for Improving Development and Governance in Africa”

Overview

Progressive, sustainable development can only be realized with robust private and public sectors and the support of a vibrant and active citizenry engaging with key decision-making forums and institutions¹. While the primary driving force behind alleviating poverty and ensuring the rights of people continues to be governments, enhanced participation and partnerships in assessing needs, implementing programmes and evaluating policy impacts is vital. Involving all stakeholders offers opportunities to scale up efforts toward achieving the Millennium Development Goals (MDGs) and for meeting the challenges of the New Partnership for Africa's Development (NEPAD) and the African Peer Review Mechanism (APRM).

The work of the Economic Commission for Africa (ECA) on governance, among other issues, promotes participation and partnership for fulfilling Africa's drive toward growth and prosperity. Participation promotes collective and individual agency, which, in turn, drives progress on issues that matter the most to people. The rights of people to participate in development and governance processes are essential to creating an environment that lends support for peace, stability and democratic change. And the process of democratization provides an ideal foundation of openness and transparency in policy-making.

These issues were explored at the Third Meeting of the Committee on Human Development and Civil Society (CHDCS), which was organized by the Development Policy Management Division (DPMD) of ECA in May 2005, in Addis Ababa, Ethiopia. There were three interrelated themes.

First, financing the development process, an essential governance responsibility, entails a participatory budgetary process that can contribute to improving fiscal performance and the efficiency with which public sector financial resources are managed, which includes widespread consultations with civil society organizations (CSOs) and other stakeholders. Second, in the realm of public service delivery, more attention needs to be paid to creating strategic partnerships between the public and the private sector (i.e. PPPs), especially with regards to water and sanitation—where improved quality and provision can certainly have a major impact on poverty alleviation efforts, especially in rural areas. And on the continental level, the APRM offers new opportunities for participation in governance at an unprecedented level if governments embarking on the peer review genuinely encourage participation by CSOs and others.

The Committee carried out lively discussions on each topic and made observations and policy recommendations aimed at improving participation and partnership as presented below.

¹ECA, *Striving for Good Governance in Africa*, 2004.

Highlights

A participatory approach to national budgeting

The national budget is perhaps the single most important policy document of governments and citizens alike. This is where complex development challenges are expressed in real budgetary terms and reveal a country's fundamental values and vision. A national budget should be the translation of an inclusive policy-making process into actionable, time-bound projects. This requires, in particular, strengthening government financial management practices, better allocation of resources and good governance. Given the strong relation to policy intentions, the budget should be open to public participation to ensure greater management of resources and accountability. Many countries are linking budgeting to consultative processes to incorporate the real needs of citizens and decide on how to adjust policies and where to re-allocate resources.

Recommendations

The most effective and inclusive way to construct a national budget that meets the aspirations of citizens must enable CSOs and other interest groups to participate effectively in the process. It is necessary to consider the following:

- Political commitment to facilitate participation in the budgetary process is a crucial pre-condition to ensure a successful outcome. For example, the state should guarantee the participation of CSOs, sectoral ministries and the Legislature in the national budgeting process through a legal, regulatory and institutional framework. Furthermore, governments could promote greater access to information through legislative measures mandating authorities to make transparent salient policies and processes and they could establish public information units related to the budget.
- The diverse nature of civil society with its multiple interests results in the difficulty in coalescing around a common agenda or position so as to have a strong voice to influence policy decisions. CSOs should organize themselves into core focus groups around issues, for instance, related to women, youth, children, the poor, etc. Widespread participation in the process by diverse interests therefore ensures the budget will be more

acceptable to and representative of the legitimate interests and concerns of a wider group of citizens.

- The participatory process should aim at demystifying the national budget to generate a better understanding of the purpose of the budget, the process of wealth creation through efficient allocation and utilization of resources, and the involvement of government in the everyday lives of its citizens. To build requisite capacity, major stakeholders will require training and education in general economic issues, budget operations, research and analysis, and advocacy.
- Legislatures, in particular, need to be targeted for special training to comprehend complex budgetary concepts. Legislative assistants should also be hired to analyze, simplify and present the issues to legislators. The naturally symbiotic relationship between Parliamentarians and CSOs also must be reinforced to capitalize on respective strengths.
- The budget should be based on a framework that specifies national development strategies and priorities such as the Poverty Reduction Strategy Papers (PRSPs), Vision Statements, MDGs or Medium-Term Plans. Moreover, it should be disaggregated to ensure greater understanding by sectors and interest groups.



- The decision-making process on the budget must be democratized through decentralization to allow for input at the most local levels through consultation with sectoral ministries and local legislators. The national budget should be broken down in detail to reflect resource distribution at the local and district levels to help CSOs to better advocate for fairness and equity in services allocation and delivery.

To make the budget a true instrument for development, indicators and monitoring and evaluation (M&E) mechanisms for assessing resource allocation, budget performance and accountability should be implemented. Suggestions to strengthen M&E include the following:

- M&E should not be on an ad-hoc basis but a collective part of the development paradigm using built-in monitorable performance indicators. To demonstrate commitment, governments should make M&E part of budget law.
- There should be clearly defined M&E roles with requisite funds allocated and an independent body to carry out processes in an objective manner. Furthermore, the results of M&E processes should be subjected to a public debate.
- CSOs and Parliamentarians should be key players in the oversight of the budget. To improve the participation of the Legislature in the process, in particular, there should be mechanisms in place to hold Parliament accountable for fiscal performance.
- Long-term development plans should specify expected deliverables or targets per year for easier monitoring.

Public-private partnership for service delivery: water and sanitation

Issues of water and sanitation provision and rural development still feature prominently in the poverty reduction and development strategies of many African countries. As a result, over the last two decades new PPPs have emerged to improve accessibility, increase consumer choice, and promote efficiency with the infusion of private capital and expertise. However, some challenges remain, including creating a regulatory environment to ensure tariff structures that are in line with the needs of the poor. Furthermore, the delivery of water and sanitation, which has to consider public health, and the management of often scarce groundwater resources cannot be left to the private sector alone; partnership frameworks are needed that draw on the comparative advantages of both the private and public sectors.

Recommendations

In order to have an effective and efficient PPP, the following norms should be adopted:



- Transparency in operation;
- Responsibility to all stakeholders, including quality and safety;
- Participation of communities;
- Accountability to communities;
- Financial viability for the long term;
- Balance of affordability between private sector and consumer interests.

Concerning the key aspects of the regulatory and policy framework for PPPs, the following are considered central:

- The type of PPP ownership arrangement should be the product of a consultative process. However, the emphasis should be on a strong State, which is able to create an environment that embraces the interests of all actors upon whom policies and laws will impact, i.e. public sector, private sector, CSOs and consumers. The State should regulate service planning and costing, while the private sector is more suited to management and delivery. Lastly, communities are natural partners for overseeing such items as maintenance.
- To ensure its autonomy, a regulatory body should be established by recruiting a cross-section of experts based on merit who represent various stakeholders. Funding sources should also be independent of the State.
- Water resource management assessments should be conducted in every country on the adequacy of the water supply and other resources. The regulatory framework therefore should be able to address all relevant aspects of the water sector: potable water, water conservation and purification in the production process. Policy makers should give more attention to the under-utilized use of water for irrigation and for electricity generation and their marginal contribution to economic growth and development in Africa.

- The legal framework should consider and examine the issue of “paying for what you use”, i.e. consumers should only pay for resources used in order to make water more widely available for other uses. In addition, the State should also ensure that the necessary steps are taken to make sure that the poorest of the poor have access to drinking water without charge.
- Training in the technical aspects of the issues is essential to ensure constructive debates. All parties must be well informed and capable of the analysis needed to ensure whether all parties’ best interests are taken into account. Among the stakeholders, CSOs have a vital bottom-up role to play in educating policy makers.

Strategies for promoting effective stakeholder participation in the APRM

NEPAD recognizes CSOs as key partners in governance and development and emphasizes the strengthening of linkages to improve citizens’ participation. Accordingly, through an open and participatory process, the APRM is to engage key stakeholders in a national dialogue on good governance and socio-economic development, thereby increasing transparency of decision-making and building collective trust in national programmes. With respect to the mechanisms for the effective coordination of all key stakeholders and their participation, there is still a need to identify key stakeholders in the process and to establish their interests, roles and commitment.

Recommendations

In order to promote full participation of relevant stakeholders in the development as well as in the implementation of an APRM programme of action, a number of actions should be taken at the national level including the following:

- Governments should put in place the mechanisms for implementing the APRM as provided by guidelines from the APR Secretariat. Each country should design the mechanism according to local socio-political context and provide space to allow full participation in the process. The process should be mainstreamed at the local level to promote national ownership and dispel the notion that it is externally driven.
- Governments and CSOs should establish partnerships to build trust, overcome misconceptions, and ensure the success of process through openness and transparency. Governments can create an enabling environment for CSOs to be effective partners in the APRM by having in place interactive structures and mechanisms to proactively involve them.
- Governments and other stakeholders should conduct public awareness campaigns about the APRM and to show the relation between good governance and poverty reduction. Furthermore, CSOs should proactively engage in the process through advocacy and documentation of their work as a learning tool for all stakeholders.
- A CSO desk should be established at the APRM/NEPAD Secretariat to facilitate the participation of CSOs.

Members of the Bureau

The Committee elected the following Bureau members to serve until the next CHDCS meeting:

Chairperson: Government (Côte d’Ivoire)
 First Vice-Chairperson: Government (Zambia)
 Second Vice-Chairperson: Private Sector (Centre for Corporate Governance)
 Third Vice-Chairperson: CSO (Consumer International – Africa Office)
 Rapporteur: CSO (Africa Institute for Corporate Citizenship)

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