



**Economic Commission
for Africa**



African Union

African Plenary on National Strategies for Poverty Reduction and Implementation
of the Millennium Development Goals

March 26-28, 2006
Cairo, Egypt

Annotated Agenda



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The year 2005 was a year of heightened attention in the international community to the development challenges of Africa: The UK Commission for Africa for issued its report in which some new ideas on how the international community can best help advance Africa's development agenda were advocated. The G-8 at its Gleneagles Summit agreed debt cancellation for some of the poorest countries of the continent. Major summits such as the UN World Summit on progress towards the targets of the Millennium Development Goals (MDGs) also drew attention to Africa's development challenges. A key outcome of the Summit is the call on member States with extreme poverty to adopt and begin to implement by 2006, national development strategies bold enough to meet the targets of the Millennium Development Goals. This call came at a time when many African countries, having completed the first wave of poverty reduction strategies introduced in 1999 by the Bretton Woods institutions as a pre-requisite for debt relief under the enhanced highly indebted poor countries initiative, have begun to prepare – in some cases implement - new national development strategies. Assessments of the PRSP framework, including those undertaken by ECA's African Learning Group on the Poverty Reduction Strategies Papers (PRSP-LG), indicate that the framework has so far been unable to fulfill its promise. Against this backdrop, this meeting will review lessons learned from the PRSP experience and based on this, propose principles that should undergird the new national development strategies that countries are preparing. Taking into account country specificities, it is envisaged, that emerging national development strategies will: be underpinned by the MDGs; grounded in principles that reflect African realities and priorities and; spearheaded by African leadership institutions and organizations.

Day 1: Sunday, 26 March 2006

OVERVIEW OF THE AFRICA PLENARY

The session will begin with a presentation that sets the tone of the Plenary by: highlighting the enormous burden that African policy makers face in eradicating extreme poverty, hunger and diseases; reflecting on the experiences and lessons of first generation PRSs documented by the PRSP Learning Group and other institutions; recognizing the positive contributions of first generation PRSPs in setting the stage for the implementation of MDG-focused policies, but acknowledging their inadequacy as comprehensive growth strategies; highlighting the significance, for Africa, of renewed commitments by donor partners to spur growth through increased Official Development Assistance and; introducing the thematic issues to be discussed in the subsequent sessions. In closing, the session will provide an opportunity for participants to signal what they think should be the expected outcomes from the Plenary and the role of second generation PRSs in achieving those outcomes.

PLENARY SESSION 1: GROWTH, POVERTY REDUCTION, AND THE MDGS

Notwithstanding country-level differences in the implementation of the first generation of PRSs, across Africa there is a need for a “big push” for investments that can catalyze robust economic growth that is sustained over time and oriented towards the poor. This was a major recommendation of the report by the Commission for Africa, which was endorsed at the G8 summit and reiterated at the UN General Assembly World Summit. The “big push” offers greater scope for low growth countries to identify and invest in “poverty-impacting” centres of growth without compromising social spending. For rapidly growing countries, the “big push” may well offer an opportunity to diversify growth, broaden its benefits and roll back inequality. The objective of the session is to provide a framework for a more inclusive growth-oriented PRS.

To this end, the session on growth will be informed by country-level lessons and experiences with promoting growth, reducing poverty and implementing policies aimed at achieving the MDGs; it will assess the challenges of operationalizing the concept of broad-based growth; managing resources expected from the big push and aligning such resources to national priorities.

Points for discussion

- The "big push, characterized by more and better aid, debt relief and domestic reform, offers a real opportunity meet the MDGs. What mix of policies and expenditure patterns is consistent with sustained growth for poverty reduction and the MDGs? What challenges do countries face in achieving this ideal mix of policies and expenditure patterns?
- Rapid economic growth is an essential precondition for low-income countries to achieve sustained poverty reduction, but what are the growth drivers? Are they consistent with fighting poverty?
- How best can African countries optimize on the growth opportunities offered by the "big push" paradigm? What processes and institutions are needed to ensure that the envisaged additionality in ODA is optimally allocated, effectively utilized, and monitored for development outcomes? How do African countries minimize the potentially destabilizing macro-effects of "big push" inflows, and counter the increased aid dependency that the "big push" might entail?
- The programmes and interventions envisaged under PRSs must be fully anchored in the budget planning and execution process if they are to spur growth and reduce poverty. However, the alignment of PRS priorities with the budget and expenditure frameworks has not always been evident. Often efforts towards this aligning merely consisted of a superficial repackaging of existing sector activities in the context of PRS priorities to ensure their continued funding. But even where adequate alignment was achieved and anchored in political will, the lack of capacity to cost PRS programmes and projects often weakened the outcome of the PRSs. How do African countries forge closer and deeper links between national strategies for growth and poverty reduction and the annual budget planning and execution?

PLENARY SESSION 2: ACHIEVING THE MDGS: THE NORTH AFRICA EXPERIENCE IN POVERTY REDUCTION

Egypt, Morocco and Tunisia are potentially on track to achieve many, and in the case for Tunisia probably all of the MDGs. At the same time, and to varying degrees, all three countries still need to overcome significant regional and rural-urban disparities in reducing poverty, as well as tackle a number of latent or remaining challenges such as achieving sustained, pro-poor growth, addressing

rising unemployment among the youth and closing the gender gap in literacy and education. Aware of these problems, the governments of these countries have developed comprehensive national poverty reduction strategies and targets, as well as initiated a number of institutional reforms that are trying to address these issues.

The session will draw on lessons from the North Africa experience in achieving the MDGs and reducing poverty with particular references to the issues of economic growth; ownership, leadership and accountability; capacity and aid in the implementation of poverty reduction strategies.

Points for discussion

- Across North Africa, there is strong evidence that economic growth has a direct impact on poverty reduction. Achieving sustained growth, however, will depend on vital structural reforms to increase employment and labour productivity. Which sectors should be prioritised to achieve more pro-poor, employment-creating growth? How can the regional and urban-rural disparities in poverty incidence across the region be overcome?
- Effectively identifying and targeting the poor is a notoriously difficult, yet pivotal exercise, and many poverty alleviation programmes have had mixed results in North Africa as elsewhere. How can these programmes be further improved? Taking into account country specificities, what would, for instance, constitute an appropriate mix of direct transfer policies to the poor, subsidies and safety net programmes?
- Civil society and the private sector have emerged as new actors in the fight against poverty and achieving the MDGs. Efforts to broaden participation in North Africa have indeed gone hand in hand with wider institutional reforms to open up the policymaking process. Yet critics argue that the pace of these reforms is too slow and fragmentary to make an impact on poverty reduction. How can these reforms be accelerated and how can they contribute more directly to ongoing poverty reduction efforts?
- Insufficient capacity, especially at the decentralized levels of government, constitutes perhaps the biggest bottleneck to further progress in poverty reduction in North Africa. How can decentralization be accelerated, and how can the capacity of local governments be enhanced to deliver public services across all regions?

- The relationship between development partners and the governments of North Africa has been very successful and harmonious. Given the large number of development partners, however, there still is a strong and so far unmet need for better donor coordination and harmonization, as stipulated in the Paris Declaration. How can better coordination and harmonization among donors, as well as the other principles of the Paris Declaration be achieved? How could the best practices in terms of aid management be replicated across other regions of Africa?

Day 2: Monday, 27 March 2006

PLENARY SESSION 3: OWNERSHIP, LEADERSHIP AND ACCOUNTABILITY FOR POVERTY REDUCTION

Ownership, political commitment, leadership and accountability of the PRS process are essential to both growth and poverty reduction. Indeed, good governance improves chances of both pro-growth and pro-poor policies being effectively implemented. On balance, the African experience suggests that more democracy means more responsiveness to the interests of poor people: and more open public debate on policy

The session by way of reviewing the experiences of countries in the ownership, leadership and accountability of the PRS process will address the challenge ahead on how to harmonize link government and popular priorities and to coordinate this with increased service delivery in the context of long-term framework for the MDG targets.

Points for discussion

- The degree and type of ownership, leadership and accountability of the PRS process varies among countries. Equally, the progress towards achieving the MDGs has been highly uneven across the continent, with North Africa being highly likely to achieve most of the goals, whilst sub-Saharan Africa is falling further behind. How can the process of sharing and learning from African and international best practices be improved and used to greater effect?
- Progress towards the MDGs will require long-term national vision. There is a consensus that countries where leaders have strong political base and a high legitimacy can successfully mobilize stakeholders and the population at large around such visions and the required concrete measures to achieve related development targets. What best practices exist from within Africa and elsewhere vis-à-vis political leadership and successful agenda setting for growth, MDGs and broad-based wealth creation? Better information and new development indicators are needed to get the buy-in of the public at large to such visions and to effectively participate in the implementation and monitoring of plans within this vision.

What role do alternative communication modes play in communicating national development priorities and nurturing ownership of related policies? What is the role of transparency in promoting this wide ownership and involvement?

- Most African countries have expanded the range of organizations that are involved in designing PRSs, although some organized groups (such as political parties, trades unions, private sector organizations and the media) have typically had limited input and/ or complain they have been bypassed. Non-governmental stakeholders have typically been less involved in monitoring the PRSs. Has this reduced broad political understanding and support for PRSs? Likewise, parliaments, line ministries, sectoral programmes and local/regional governments have been neglected in PRSs, which are typically prepared by ministries of finance and planning. How could this be changed?
- In their enthusiasm for the PRS paradigm, external partners have at times over dominated the process at the country level, at times to the detriment of national ownership. Improving the content of poverty strategies and ensuring that the approach is truly country-led means embedding them in national processes and building confidence in government capacity and accountability. What measures can be put in place to this end?
- How best can regional organizations such as the AU, and its NEPAD programme achieve enhanced impact through political leadership, coordinating, and monitoring of such visions at the regional level? How can the AU and NEPAD, for instance on governance and democracy, impact on national policy-making and on second generation PRSs?
- What best practice country examples exist with regard to improvements in accountability structures for managing development results? Are budget systems a good tool for such accountability? What is the role of civil society, including media, NGOs and CSOs in this regard?

PLENARY SESSION 4: CAPACITY NEEDS FOR THE IMPLEMENTATION OF PRSS AND ATTAINMENT OF THE MDGS

Capacity has been and remains a major constraint to the achievement of the MDGs and poverty reduction, but past efforts to address it have lacked an appreciation of the institutional context at the national level; the availability of

skills both within countries and in the Diaspora, and the reforms needed to mobilize them. Second Generation capacity development strategies must therefore adopt a more holistic approach to capacity building that takes into account measures that not only supplement domestic capacity from external sources but nurture, enhance and sustain local capacity. This will involve greater focus on institutional constraints to local capacity development, greater ownership of the capacity building agenda, improved incentives and reforms to sustain and align capacity to national priorities as well as measures to increase the stock of existing capacity.

This session will look at lessons learnt on anchoring capacity building initiatives to existing national structures, processes and systems, including using local governments to target poor localities and deliver social services. It will also draw on African experiences in delivering substantial and sustainable increases in capacity.

Points for discussion

- Capacity is a critical determinant of poverty reduction and achieving the MDGs, yet it was largely neglected in the first generation of poverty strategies. It must be at the fore of the second-generation strategies, driven by national priorities, rather than by donor preferences, and appropriately sequenced. How can various stakeholder groups work together to build capacity holistically across the institutional framework –including building appropriate incentive structures across public institutions and enhancing the overall environment for professionalism?
- What is the experience in establishing government institutions including ministries dedicated to enhance capacity, as has been done in Ethiopia and Rwanda? Can they catalyze changes in the whole public sector?
- Special areas requiring immediate attention include: developing national and regional analytic capacity; communications; public finance; knowledge capacity development (higher education and sharing experiences); and critical bottleneck areas such as shortages of health workers or teachers. Possible priorities for capacity development include: i) Increased data and statistical capacity which leads to more results-based public sector management and helps leaders plan better and monitor how effectively their strategies are being implemented, especially in light of reaching the MDG goals and targets; ii) capacities for communication and developing African knowledge, including the media, ICT and growing

and maturing science and technology capacity. What role can the AU, regional and international bodies play in supporting this? For instance, should donors support national and African research bodies and consultants instead of relying on their own nationals and international bodies?

- What is the role of partnerships in building capacity to achieve the MDGs? If governments create the right climate they can maximize synergies from working with international partners, NGOs and CSOs, the private sector and even innovative partnerships with Africans in the Diaspora. What potential opportunities and challenges are associated with such partnerships? In private sector partnerships, what is the role of government in regulating and directing commercialized and/or private sector bodies who deliver services, especially in key social goods such as clean water?

PLENARY SESSION 5: THE EMERGING AID ARCHITECTURE, PRSS AND THE MDGS

At the G8 Summit the rich world promised \$25 billion additional Official Development Assistance (ODA) to Africa by the year 2010. This brings immense opportunities discussed in Session 1 and will also bring many new challenges. The latter include increased dependency, budget unpredictability and volatility, enhancing capacity for effective use of the additional ODA, and better management of the potential increases foreign consultants and aid workers that might accompany the doubling of ODA. The AU/NEPAD vision together with the global decisions taken in Paris (March 2005), Marrakech (February 2004), Rome (February 2003) and Monterrey (2002) must be the foundation for a new kind of partnership that will allow Africa to manage the challenges and make the most of the potential benefits associated with the additional ODA.

This Session will discuss what improvements at country level and regionally could help unlock more of the world's resources towards achieving MDGs in Africa and make the increased flows more effective and sustainable.

Points for discussion

- Will the increased aid – even with generous debt relief – be sufficient to meet the MDGs? Unpredictable aid could bring problems if it undermines rather than strengthens national processes and the increased flows would be less effective. How can governments proactively address existing shortcomings in the aid system through a country-led approach?

- What explicit policies and strategies should governments consider if they want to reduce dependence on ODA over time? Some possibilities include using national processes such as sector and budget support (as well as debt relief) to plan and disburse aid, adjusting the terms of aid, and working on preferred aid modalities. Are donors willing to move to longer-term commitments, which would be particularly relevant for achieving critical objectives such as the MDGs?
- Countries should systematically monitor the impact of aid, as well as donors' compliance with their commitments made at both national and international levels. Governments could consider instituting "mutual accountability" systems at country level, such as Tanzania's independent monitoring group, to maintain pressure on donors to improve their practices, while ensuring that countries continue to improve their own governance. The transparency of donor aid allocation criteria could improve. Do governance programmes, including the African Peer Review Programme (APRM), enhance governments' capacity to put resources including ODA to effective use in the different sectors (health, education, infrastructure, trade and export development, etc.)? How important is governance to the volume of flows from donor partners?
- Aid management and monitoring could also be institutionalized at the continental level, to maintain African pressure for aid reform and sharing aid experiences. One example could be formalizing the OECD/ECA/AU/NEPAD biennial review of mutual accountability, supported by stronger capacity at the AU, NEPAD, and ECA.
- Increased aid must be coherent with other relationships between Africa and the rich world. Trade, foreign and local investment will become increasingly important drivers of Africa's economic growth and poverty reduction. Aid should be linked to African pressure at the Doha round of trade talks, for the developed world to remove damaging trade subsidies and protection, and to ensure that there is coherence among trade, debt relief, aid and investment.

Day 3: Tuesday, 28 March 2006

In the third day of the Plenary, the Wrap Up and Closing Sessions will take place followed by a press conference.

Wrap Up Session - The Second generation of PRSs

The session will consider the draft outcome document, which is expected to provide a clear guidance and a framework on the formulation of the 'second generation' growth and development strategies that are poverty reducing.

Closing Session

One of the important events of the session will be the issuance of the "African Outcome Document on Second Generation PRSPs and Implementation of the MDGs" in a form of a consensus statement, followed by closing remarks.