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Christian Relief and Development Association

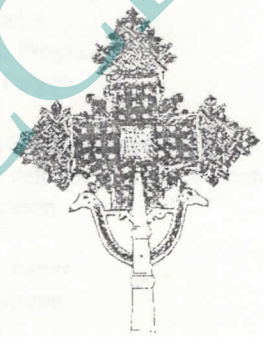
Poverty Reduction Strategy Paper

Awareness Raising Workshop Report

June 2001

Ghion Hotel

CCRDA



Rapporteur: Michael Daniel Ambatchew

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Abbreviations in this Paper

1. CAFOD = International Cooperation for Development and Solidarity
2. CAS = Country Assistance Strategy
3. CBO = Community Based Organisation
4. CRDA = Christian Relief and Development Association
5. EEPRI = Ethiopian Economic Policy Research Institute
6. ESDP = Education Sector Development Progam
7. HIPC = Highly Indebted Poor Countries
8. HSDP = Health Sector Development Program
9. IDTS = International Development Targets
10. IMF = International Monetary Fund
11. IPRSP = Interim Poverty Reduction Strategy Paper
12. MEDaC = Ministry of Economic Development and Co-operation
13. NGO = Non-Governmental Organisation
14. PMO = Prime-Minister's Office
15. PRSP = Poverty Reduction Strategy Paper
16. SAP = Structural Adjustment Programme
17. SIP = Sector Investment Programme
18. SWAP = Sector Wide Adjustment Programme
19. UNDP = United Nations Development Programme
20. US = United States
21. WB = World Bank
22. WTO = World Trade Organisation

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1. General

The debate over the controversial topic of aid and its benefits as well as its disadvantages has raged continuously. Attempts to improve the socio-economic scenario of developing countries have been made over several decades. Donors have run various projects all over the developing world to improve standards of living. However, there has been growing discontent with the effectiveness and impact of the traditional method of trying to solve the numerous ills of these countries. The relative smallness of projects were misperceived as the causes for their ineffectiveness and major donors like the World Bank and International Monetary Fund (IMF) designed a series of economic reform programmes like Structural Adjustment Programmes (SAPs) whose adoption they set as a precondition to giving loans to developing countries.

Unfortunately, these economic reforms were almost as ineffectual as the individual projects had been. In fact, in some cases they were seen as actually being harmful, especially to the poor. However, without openly accepting their share of the responsibility for these policy failures, major donors including the World Bank and IMF began thinking up new strategies for solving this old and persistent problem. Seeing a lack of participation and genuine country ownership, no recipient empowerment and a tackling of single issues rather than the whole problem as the main causes for the failure, a new approach of 'sector wide programmes' has been introduced. This new approach has been called "Sector Wide Approach" (SWAP) or "Sector Invest Programme" (SIP).

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This approach is "characterised by a government-led partnership with key external partners, based on a comprehensive sector policy and expenditure framework, and relying on government institutions and common procedures for implementation," (World Bank 2001). Strategic industries like Health and Education have been targeted for such programmes and there are already a dozen operations in Sub-Saharan Africa. In 1999, the World Bank and IMF drew up a new anti-poverty frame that would ensure debt-relief and concessional loans and provide a general umbrella frame under which all other sector programmes are to come. However, they set down as a precondition to debt-relief that Highly Indebted Poor Countries drew up their own Poverty Reduction Strategy Papers

(PRSP). Seeing that most countries could not draw up credible papers in such a short time, they settled for Interim Poverty Reduction Strategy Papers (IPRSP), which would not be as exacting as the final PRSP.

Ethiopia has been actively engaged in these programmes and is already implementing an Education Sector Development Program (ESDP) and a Health Sector Development Program (HSDP). In a continued effort to boost her economic growth and reduce her infamous position as one of the poorest of the Least Developed Countries status, Ethiopia quickly drew up her IPRSP and is to embark on drawing up her own Poverty Reduction Strategy Papers.

2. Background to the Workshop

It has been argued that "Most African countries have during the last two decades failed to produce a competent elite capable enough of negotiating with donors," (Tekeste Negash, 1996), so the designing of a truly Ethiopian PRSP requires the widest participation possible. The Christian Relief and Development Association (CRDA) is in the process of undertaking an assessment of NGOs contribution towards poverty alleviation in Ethiopia and established a PRSP Task Force. Moreover, CRDA has been negotiating with the government by expressing the interest of NGOs to involve in the PRSP process. Having held two workshops in February and April 2001, the need for awareness on the whole PRSP process and possible entry points for interventions was raised, and a decision taken to conduct an awareness-raising workshop. Consequently, two resource people, Mr Henry Northover from International Cooperation for Development and Solidarity (CAFOD) and Ato Getahun Taffesse from the Ethiopian Economic Policy Research Institute were invited to share their rich experiences and give participants international and national perspectives. The basic aims of the workshop, in addition to raising awareness, are to further commit NGOs to the process of developing a PRSP and strengthen their partnership.

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3. Introductory Remarks

Ato Fekade Tsegaye, Deputy Executive Director of CRDA, began the workshop by welcoming all the participants and thanking the resource persons for coming. He stated that the main objective of the workshop was to enable all participants to make a meaningful contribution towards the PRSP process. He reassured the participants that this would be but one of a series of workshops, then continued to give a progress report of work conducted since the April workshop. He informed the participants that CRDA had established a PRSP Task Force with wide ranging NGO actors from both within and outside the CRDA members. The Task Force had developed its Terms of Reference and Plan of Action to ensure meaningful participation in the PRSP process. It intends to produce a concrete NGO position paper and also hire local and international experts to conduct qualitative and quantitative studies on NGOs contribution to poverty alleviation in Ethiopia. Ato Fekade stated that all of this would hopefully give NGOs greater credibility as well as be a springboard from which they would enter into the PRSP process. He concluded by wishing the participants a useful workshop and inviting Ato Gezahegn to take the floor.

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4. What is PRSP and Why Do We Need It?

Ato Gezahegn Kebede from Oxfam GB began by welcoming everybody and requesting their active participation. As chairperson, he then invited Mr. Northover to deliver his presentation.

Mr. Northover started off by giving a description of the evolutionary process of PRSP. He explained that his presentation was slightly modified to include why PRSPs came about and why civil society participation is vital for national PRSPs. He portrayed how in the global context a new international consensus on poverty reduction had gradually come about through civil disturbances. The International Global Targets of halving poverty by the year 2015 have now been accepted by the WB, IMF and the World Trade Organisation (WTO). Moreover, criticism of IMF and initiatives such as the international Jubilee movement spearheaded debates on how to use the proceeds from debt relief. Suspicions on corrupted leaders not thinking about the welfare of their countries also brought about new analytical dimensions of poverty including issues such as the poor having access to education, health and other basic social services, instead of simply looking at measures like the dollar-a-day as indicators of poverty.

He also described the problems of Structural Adjustment Programmes (SAPs) going into the shortcomings of the process and the policy bias. He explained that the WB and IMF basically forced borrowers to accept their terms. The Enhanced Structural Adjustment Framework used for SAPs was very mechanical based on the assumptions that a stable economic environment lead to increased investment and economic growth, which in turn lead to poverty reduction. Naturally, this did not deal with the multi-faceted problems of poverty.

He elaborated on the problems of the SAPs saying that they were short-term fixes of symptoms rather than causes, which would require long-term solutions. Besides this, they were uniform prescriptions, irrespective of individual country's unique characteristics. Finally, they disregarded crucial negative social impacts, increasing inequality due to things like unemployment. He analysed the source of these problems due to a top down

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approach and a lack of national ownership. All of this lead to waning political support on the part of major shareholders and growing hostility from civil society groups.

This background lay fertile ground for the emergence of PRSPs. Mr. Northover further focussed on the whole PRSP approach saying that its new features were its being the overarching organising framework of all donor-recipient relationships. PRSPs are perceived as being fundamentally different from SAPs in that they focus on poverty reduction and are drawn up by in-country partnership based processes. They are comprehensive and result-oriented and though planned in 3-year cycles, they are long term in that they cover 20-year periods. He said the core element of PRSP being authored in-country gave civil societies the opportunity to have their voices heard. He explained that the intention is for governments to work with all sections of society, including; academics, churches, NGOs and others in producing a PRSP.

Finally, he went on to the problems of PRSPs. Firstly he pointed out that though insisting on in-country production, the WD and IMF could actually be the ghostwriters of national PRSPs. As a participant in the formulation of ESDP team commented, "The World Bank's role is always going to be pivotal in an experience like this: they have the most money, the most intellectual resources and the most influence." (Martin et al 2000:38). Moreover, the WB and IMF still retain the pivotal role of endorsing the final national PRSP, thereby creating a catch-22 situation where they advocate national authorship, yet keep their hands on the reins. This situation is further worsened by the donor community asking for transparency from recipients, yet keep their own cards close to their chests. They are not releasing all the policy papers and their positions. Secondly, he asked whether governments would simply produce a paper that they know WB and IMF will approve without including national concerns that clash with WB and IMF policies. In essence, would they conform to the old saying of 'he who pays the piper calls the tune'? The third issue was what 'pro-poor' growth actually means and how it is brought about. At present, this appeared simply to be a popular slogan without any prior social impact assessments as to who are defined as the poor and how they will benefit in real terms. Fourthly, PRSPs still do not seem to be shaped around recipient country planning cycles.

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as can be seen in the case of Ethiopia having planning cycles of five years and the PRSP having to be planned in 3-year cycles. Finally, although civil societies are being asked to participate, it would appear that they are being asked to consult rather than participate.

To conclude, Mr Northover highlighted some of the major requirements for producing a PRSP. He pointed out the need for poverty analysis to be followed by prioritising areas to be tackled first. He then stated the need for costing programmes to avoid an endless and unrealistic wish list. He stressed that civil society should not only be consulted but should actually participate in the whole process including implementation, monitoring and evaluation. He stated that unless the PRSPs were realistic and usable, they would not be integrated into government machinery and simply stand in isolation.

Discussion: Ato Gezahegn thanked Mr Northover for his illuminating presentation then opened the floor to questions and comments.

One set of questions and comments, basically reflected a wariness to what is perceived as yet another WB-IMF panacea to the problems of the South. A participant asked if PRSPs weren't simply SAPs that had undergone cosmetic surgery. Another warned that SAPs were basically interference in national affairs while PRSPs were even greater interference. He likened the situation to a stranger not content with messing around somebody's living room and wanting to move into the bedroom. Yet another stated that there was the need to use local expertise and that in the past local experts had forecasted that SAPs would prove to be ineffective. Nevertheless, international donors had twisted arms to get recipient governments to try them out. The issue of power relations and the fact that PRSPs would further enhance the power of the donors was raised. The fact that WB and IMF are not transparent and are not willing to disclose documents like their Country Assistance Strategies (CAS) were also raised as examples that their guidelines of transparency, participation and accountability apply to all but themselves. The fact that national governments alone are used as scapegoats, was also raised as evidence of WB and IMF insincerity and not owning up to their share of the responsibility of sinking developing countries into even greater debts.

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The second set of questions and comments pointed out to weaknesses in the PRSP approach. The first one was about how PRSP seemed to be insulated from impacts of external factors. A case in point could be, "The war between Ethiopia and Eritrea is just such a change in environment that caused financing agreements to unravel." (World Bank,2001:38). There seemed to be no room in PRSP to accommodate such sort of external factors that would directly affect the whole process. The second was that poverty reduction was not a new theory and that they should not be considered as such. In fact, there was already a wealth of experience in organisations such as UNDP, which should be consulted to avoid the reinvention of the wheel. The fact that despite the rhetoric, PRSP was still a top-down approach and that serious efforts at making it bottom-up were also raised.

Mr Northover acknowledged both previous work done in this area as well as the legitimate doubts over WB and IMF. Nevertheless, he pointed that this was providing an opportunity for civil societies to make their voices heard and then challenge WB and IMF to put their money where their mouth is. He advised that perhaps the whole issue of PRSP should be taken at face value and attempts to influence it be made. He gave examples of defects in previous programmes where governments would receive aid and use it on things which would not assist the poor, as in the case of subsidising Zimbabwean Airlines, and stated that PRSPs major strength was its pro-poor stance. He also pointed out that this was as yet a flexible and young policy, which had the potential of developing a new framework whose biggest break from the past could be its setting up multi-polar dimensions other than governments and donors. He tactfully did not challenge the assumption of the participants that they represented the civil societies of Ethiopia, but instead stressed that they should find ways and means of actually bringing the voice of the poor to the negotiation table.

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5. PRSP in Ethiopia

Following a tea break, the Chair invited Ato Getahun Tadesse to deliver his presentation on PRSP in Ethiopia. Ato Getahun said that he would not go over ground covered by Mr. Northover, but instead describe matters in the Ethiopian context. He stated that as Ethiopia comes under the Highly Indebted Poor Country (HIPC) category, she too qualifies for debt relief and concessional loans. He explained that Ethiopia is currently suffering under a debt of approximately nine billion US dollars. This would amount to 50% of her Gross Domestic Product and up to 20% of her foreign exchange revenue being consumed in servicing debts.

In 1999, the WB and IMF laid down the prerequisite that Ethiopia and other HIPCs submit a PRSP before the releasing of any further loans. This obviously put tremendous time pressure on all and with time proved to be an unrealistic expectation. Consequently, to avoid an impasse, HIPCs were asked to submit an Interim PRSP that year and to take more time to design a full-blown PRSP. The governments were not required to include civil society participation for the IPRSP.

The Ethiopian government established a technical committee to draw up the IPRSP, however with rapidly approaching deadlines, the Prime Minister's Office (PMO) took over the task. They only had 3 months to submit the IPRSP by November 2000. The PMO delivered the IPRSP by the deadline, probably due to their experience in drawing up the ESDP and the HSDP. Unlike, some other countries, they did not involve civil societies. Perhaps as a result of this, in addition to the time pressure, there are some blatant gaps in the IPRSP. Most noticeably, is the omission of pastoralists and the urban poor from the poor population of Ethiopia.

At present, the Ethiopian government has not fully started proceeds for the full PRSP. Nevertheless, initiatives are beginning and June 2002 has been set as the deadline for the submission of Ethiopia's PRSP.

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Ato Getahun moved on to how the NGOs could contribute to the full PRSP. He explained that in layman terms the whole process could be boiled down to four simple questions:

1. Where are we now?
2. Where do we want to go?
3. How are we going to get there?
4. How do we know we are getting there?

He stated that the NGOs could commence on assisting the government on the first three questions immediately, and the fourth once the PRSP is being implemented. To begin with the poverty diagnostics, he explained that the government data collection instruments are basically quantitative and only go so far as regional level. He advised that NGOs devise and use qualitative data collection instruments and conduct deep analysis at the zonal, woreda and even community levels. Secondly, he advised that as NGOs have experience with poverty reduction work in Ethiopia, they could share their best practices with the government. Thirdly, they could review their own strategies and interventions and ensure that they are primarily poverty focussed. This would enable them both to have greater credibility as well as be an example of good practice. Fourthly, he stated that NGOs could design and implement programmes that would complement the government's efforts. He gave possible options as focussing on the urban poor, rural pastoralists, illiteracy and nutrition as examples. Finally, Ato Getahun indicated that a major role for the NGOs could be to lobby internationally for greater assistance and debt relief to Ethiopia. He stated that at present Ethiopia had one of the lowest human development indicators and hardly had 14 US $ per capita. Nevertheless, she was receiving much less assistance than other relatively better off developing countries and that in actual terms the figure being proposed for debt relief to Ethiopia was hardly more than 900 million US dollars over a twenty year period. Although beggars cannot be choosers, such a sum was proportionally small. This in effect reflected that poverty alone was not the sole criterion being used to decide the amount of debt relief and loans to be granted to countries, and that NGOs could lobby for Ethiopia to get a fair share.

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Discussion: Ato Gezahegn thanked Ato Getahun for his down to earth and practical presentation, then he opened the floor to questions and comments.

Once again a set of questions and comments reflected resistance to the strings attached to the debt relief and concessional loans in the form of PRSP. The first was that having PRSP as an over arching strategy could be equated as putting all one's eggs in one basket. It was stated that placing all one's bets on an as yet untried and new strategy could end up in a colossal disaster.

The second set of questions and comments mainly reflected discontent with the Ethiopian government's manner in dealing with the PRSP process. Several questions were raised on how the government intended to open dialogue with the NGOs, mechanisms for listening to the voice of the poor, and integrating the existing strategies and declarations the government has already signed up to. One participant stated that Ato Getahun was advocating NGOs to take a subservient role to the government, whereas civil society should actively be involved in the conception, implementation, monitoring and evaluation of the national PRSP.

The third set of questions and comments were grappling with practical steps to influence the designing of the PRSP. The fact that the PRSP should actually incorporate feasible strategies that would impact on poverty rather than simply being a passport to WB and IMF funds was raised. The need to actively engage in dialogue with government and donors and the need to take the initiative was raised. The need for NGOs performing a self-audit and knowing what they want to say and how they should present their case was also raised.

Both Ato Getahun and Mr Northover responded to these comments and questions. They pointed out that the government had not been obliged to let civil society participate for the IPRSP, however, this would be an obligation for the PRSP. Moreover, the country budget framework would be monitored by the WB and the IMF, so the PRSP would not end up as fancy words on paper. They stressed that even if the government was not so

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willing to listen to the NGOs, it was both their right and their obligation to provide strong and well organised feedback. They acknowledged the fears and anxieties over the PRSP, but highlighted that at least the opportunity to influence it was on the table and that everyone should do their utmost to ensure that it would be the best strategy the country could produce.

Ato Gezahegn once again thanked Ato Getahun and Mr. Northover for their thought-provoking presentations and brought the morning session to a close.

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6. How Do NGOs involve in A Government Led Process?

Ato Yabowork Haile from ProPride was the chairperson for the afternoon session. He began by explaining that in the first half of the afternoon, there would be three short presentations by Mr. Northover from International Cooperation for Development and Solidarity, Mr. Clive Robinson from Christian Aid and Ato Ahmed Ali from ActionAid. This would be followed by group discussions and a final plenary session.

CAFOD Suggestions: Mr. Northover began the afternoon be stressing that the main task of NGOs would be to understand the value of grassroots inputs and ensure that they are translated into technical analysis. He pointed out that grassroots evidence are not only self-defining but usually come up with an alternative set of policy responses. He explained that the whole PRSP should not only be the final paper, but that it should be a political process in which centres of influence and power are mapped, advocacy skills developed and the poor empowered. He emphasised that the process should be owned by the people and that there should be active monitoring of the impact of policy changes. He exemplified his points by taking a Zambian case study, where different levels of the national offices involved in PRSP were targeted and influenced by the different levels of a church body. They advocated for better pay packages for teachers by putting forward credible data of the increasing price of food baskets and the incompatible primary teachers' wages. Coalition and consensus building took place at all levels between the church and the President's Office, Central Government and Regional Government. Mr. Northover continued to explain that civil societies had different options such as working with the government, producing an alternative PRSP of their own, or a combination of the two. He explained that the whole process should be one of learning through doing and nothing should be viewed as sacrosanct. He stated that countries should experiment to come up with PRSPs tailored to their unique needs. He rounded off by encouraging NGOs to co-ordinate official donors around an Ethiopian agenda and leveraging additional resources to meet 2015 (International Development Targets) IDTS.

Christian Aid Experiences: Mr. Robinson took over and began sharing Christian Aid's experiences. He took off on the positive note that he felt the poverty reduction targets

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were achievable, if a bottom up approach were to be used. Then he stated that he would be discussing obstacles, preconditions and duties in the PRSP process.

To start with obstacles, he explained that the first obstacle was the timeframe. Most countries were in undue haste to get their PRSPs over with and get the debt relief and loans. This usually led to sloppy work and the fact that Ethiopia had negotiated the June 2002 deadline was encouraging in that a good paper could be developed. The second obstacle was that governments did not conduct genuine consultative processes but simply went through the motions to appease the donors. The third obstacle was that civil society groups lacked the capacity to make their needs and views heard. This could easily be the case of the rural poor in Ethiopia, who have no means of communication and may not be literate. The fourth obstacle is the lack of commitment to the participatory process, which demands sustained commitment and resources. Many civil society institutions could only be willing to put in a one-off performance and not be committed to the time, personnel and resources that would be required in the long run. The last obstacle is that the whole gender dimension appears to be downplayed or disregard in the haste to produce PRSPs.

Moving on to the preconditions, Mr. Robinson stressed the first prerequisite was a capable and willing state machinery to integrate PRSP with their practices. The second precondition is that civil society organisations be able to engage in the PRSP process. The third one is the existence of a democratic culture that enables everyone to participate genuinely. The fourth is the existence of analytical capacity to devise an effective proposal and strategies. The Ethiopian Ministry of Economic Development and Co-operation will obviously have a key role to play here. The fifth and last precondition is the ability of poor communities to organise and present their needs directly or through intermediaries.

Mr Robinson listed five of the duties Christian Aid had in various PRSPs and which Ethiopian NGOs could consider. The first was convening and attending civil society meetings. The second was representing civil society on national PRSP forums. The third is taking part in high level meetings such as those held by consultative groups. The fourth

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is presenting national experiences of civil societies for reflection at international level. The last was sharing international experiences with national civil societies.

ActionAid Ethiopia Experiences: Ato Ahmed Ali started off by explaining that he was not only going to share ActionAid experiences but the reflections of an Ethiopian PRSP group that had just returned from a sub-regional meeting in Uganda.

From an ActionAid standpoint, Ato Ahmed explained that PRSP was an invaluable opportunity to engage in poverty dialogue with the major decisions-makers. Participation by itself is the basis of empowerment and even beginning to let the poor have a say in such matters is the first step towards empowering them. He stressed that the most important thing is the process rather than the product, in that the production of a near perfect PRSP was not as important as the process of dialogue and reflection, which would build the capacity nation-wide. In fact, the building of such capacity would ensure the continuity of the PRSP process over the whole 20-year span, whereas the contents of the present PRSP would only be relevant for the next three years. Ato Ahmed stated that ActionAid was actively involved in supporting PRSP in over 30 countries globally and was willing to take on and shoulder its share of responsibilities in the present process.

He then moved on to share the reflections of an Ethiopian PRSP group that had just returned from a sub-regional meeting in Uganda. He explained that the meeting involved Burundi, Ethiopia, Kenya, Rwanda, Tanzania and Uganda and that the Ethiopian delegation consisted of members from ActionAid, Christian Development and Relief Association and Inter-Africa Group. He explained that Kenya, Tanzania and Uganda have already completed their full PRSP, while Burundi, Rwanda and Ethiopia are still in the process of designing it. He explained that NGOs and CBOs (Community Based Organisations) were highly involved in the process, and that this sector in Ethiopia was lagging far behind in preparation and lobbying. Having reviewed other PRSPs, he stated that there was no one formula being used and that there was ample space to create new home grown strategies.

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Ato Ahmed explained the team had draw up a list of three major gaps. The first being a lack of knowledge and understanding of PRSP by all players including the major donors, government and civil societies. The second, being a lack of a code of engagement related to perspectives, principles, positions and strategies. The third, being the need to identify entry points for engagement for the civil societies. The team had not stopped at identifying gaps, but had also drawn up an action plan. Based on the gaps the action plan had four major recommendations. These were

- the building of in-house capacity of the PRSP task force by conducting training and workshops.
- opening up dialogues and creating fora on PRSP with various actors especially CBOs.
- creating a technical working group to do the legwork for the Task Force.
- conducting exploratory investigations as to possible entry points to the PRSP process.

Discussion: After thanking the presenters, Ato Yabowork opened the floor to questions and four requests for clarifications were raised. The first was that there had been repeated mention of the weakness of existing databases and analytical capacity and what sort of depth and breadth would be considered sufficient. The second was if there are any foolproof methods of ensuring that the poor effectively benefit from such programmes. The third was the rapidly approaching deadlines and what was being done to build on work already done by other institutions. The fourth was if mutual consensus had been arrived at amongst NGOs themselves on perspectives, principles, positions and strategies.

The presenters fielded the questions. To begin with, they stated there was the need for NGOs to reach consensus and that the employment of a chief economist and further workshops planned for September and October could be steps in achieving such consensus. Next, they stated that it would be more appropriate to worry about the process rather than meeting the deadlines with a ready-made product. Obviously, there are no foolproof methods of ensuring that the poor effectively benefit from such

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programmes, but that this was something to learn by doing. Finally, the weakness of existing databases and analytical capacity was evident in the huge contradictions between poverty indicators and the reality on the ground. Because the indicators gave a rosy picture of poverty, serious attempts at making honest poverty assessments at all levels were imperative.

Ato Yabowork closed this session and explained that the next session would be the discussing of questions in groups and a plenary presentation.

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7. Plenary Discussion

The Participants were divided into two groups and asked to select and discuss two of the following five questions. At the end of their discussions, they were to present their deliberations to the whole group. The questions were;

1. How are grassroots issues brought at national level to PRSP?
2. What is the unique contribution NGOs can make to the PRSP process?
3. What mechanisms are necessary for NGOs to the influence government PRSP processes?
4. What does your NGO need to build up its effectiveness to influence the PRSP process?
5. What should the NGO PRSP Task Force be doing to increase NGO influence in the PRSP process?

One of the groups decided to discuss question 3 and 5. They raised many issues in the group such as the need to voice the NGOs' stance by actively publicising and promoting its activities through the mass media. Attempts to meet legislators and government experts and influence them through the presentation of credible data, surveys, reports case studies and a package of possible strategies were raised. The need to bridge the gaps of NGOs through forming a technical committee, progress reports and continuous feedback was also discussed. This group eventually presented to the plenary three major points of influencing the process through the mass media, updating NGOs through circulating information and appointing a technical committee to support the Task Force.

The second group dealt with questions 1 and 2. They explained that grassroots issues should first be assessed by each NGO undertaking intensive poverty assessment studies in their respective areas as well as by commissioning consultants to undertake studies. They said that the CRDA working groups should also try to assess the five given questions. Having done this, serious talks had to be held with the government to negotiate the NGOs' role in the PRSP process. Moving on to the unique contribution of NGOs, they stressed that NGOs already had close ties with the grassroots based on trust. NGO could provide a basket of choice strategies from their vast experience. They

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already had a range of sustainable models, based on non-partisan, decentralised, community empowering work. They stated that NGOs had power to negotiate and voice the true concerns and problems and act as interlocutors for the underprivileged.

The second group ended on a most interesting point by giving all participants a point of reflection or food for thought. They asked the question, "Why can't we live without aid?" This indeed is a fundamental question, which could open a whole can of worms. Was this an effort to extract our leg from a whole quagmire of aid by putting the other leg in? What debts are we being asked to repay? Are these loans given to former governments to buy military weapons and stay in power and further exploit and impoverish the people? If so, don't we have the moral right to refuse to pay them? How much of these loans were actually invested in Ethiopia? What percent of them went straight back into the pockets of donors through astronomical consultant fees and the purchase of equipment from stipulated countries that were not the cheapest? Was any of the money given to the donors in the form of kickbacks? What about the amount corrupt government officials embezzled? Are we really liable for these loans? Are we pushing our necks into a hangman's noose lured by the bait of yet more loans? Or are they simply to keep us alive so we can continue paying our debts? Obviously these questions were neither raised nor discussed, but the second group's question of why we can't live without aid was certainly an appropriate one to keep the participants' minds ticking over about poverty after the end of the workshop.

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8. Conclusion

The Chair concluded by accepting a few final remarks about PRSP still being in its early stages and the need for everyone to be committed to the long process. The need for NGOs to have a common front and investigate points of entry to the whole PRSP process was raised. The possible need for a permanent contact point and full time employees to deal with the issue of NGOs' PRSP contributions was also restated.

Finally, Ato Yabowork thanked everyone for their active participation and closed the very successful workshop.

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The PRSP process in Ethiopia – what issues and steps are involved and the implications to civil-society participation

(Presentation Outline)

Background

Ethiopia is one of the highly indebted poor countries that potentially qualify for significant debt relief under the HIPC initiative. For a country to qualify for multilateral debt relief, i.e., to reach the decision point, it must produce a PRSP. The PRSP is a national program for poverty reduction, which is the foundation for lending programs with the IMF and the World Bank and HIPC debt relief. Its major essential features are it is developed in a participatory way, it is nationally owned and it lays out a policy framework and agenda for tackling poverty.

In addition to being a requirement for debt relief, the PRSP replaces the Policy Framework Paper (PFP) – the joint IMF-WB document outlining a country's policies and reform proposals. Henceforth, the Bank and Fund Boards must approve a country's PRSP before a lending program is agreed with the Bank and Fund.

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Interim PRSP

Countries want to benefit from debt relief as soon as possible, while the financial institutions want to be seen to be taking swift action. There is a time pressure, therefore, on both sides. Some NGOs are also concerned that the level of participation or quality of the poverty reduction strategy could take second place to a government's desire to secure debt relief as early as possible. To address the tension between qualifying for debt relief and allowing time to develop a good PRSP, countries which are likely to reach decision point soon are allowed to produce Interim PRSPs.

The government of the federal republic of Ethiopia established a technical committee to draft the interim PRSP around May last year. Members of the committee comprised

representatives from selected government ministries, regional governments and the parliament. The committee embarked on preparing the IPRSP after attending the regional workshop on PRSP that was held in Cote Devoir in June?, 2000. The involvement of the committee in preparing the IPRSP ended, however, while the document was in zero draft stage. The final shape and content of the IPRSP, which was issued in November, 2000, was largely the work of a key policy maker in the Prime Minister Office. Hence, there was limited involvement of concerned government institutions with no participation whatsoever made by other stakeholders outside the government in the Ethiopian IPRSP.

An Interim PRSP is envisaged to incorporate the following elements:

- A statement of commitment to poverty reduction;
- A description of the main elements of existing poverty reduction strategy with available diagnostics;
- A three-year macroeconomic framework and policy matrix;
- A time-line and a plan for preparing the full PRSP;
- A description of the participatory process the government plans to adopt; and
- An outline of the diagnostic and analytical work required.

The IPRSP document prepared by the government has attempted to address the above issues. Because of the limited time period during which the IPRSP was prepared the document has the following shortcomings: -

Commitment to poverty reduction:

In terms of policy intent, the government has expressed strong commitment to poverty reduction in rural areas. The ADLI strategy coupled with economic reform programs implemented beginning mid 1990's comprised the government strategy to reduce poverty in the country. Before discussing ADLI, the following points are raised concerning the relationship between economic reform programs and poverty reduction: -

- It is now generally accepted that economic reform programs financed by Bretton Wood Institutions (with similar content and objectives) in various African countries have failed to bring meaningful improvement in living conditions of the peoples of these countries. Some adjustment policies like

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liberalization of prices and markets may benefit the poor while others such as removal of subsidies will hurt the poor. Since the "good" policies usually work through market forces (intermediation), the benefits presumed may not reach the poor who are way out of the monitized economy in countries such as Ethiopia. Hence the PRSP initiative should be used by the government and other stakeholders as an opportunity for revisiting economic reform programs in the context of poverty issues. In future, lending programs cooperation with the WB and IMF need to be integrated into national strategies like ADLI.

- The government is presenting ADLI as an uncontested strategy not only during the past decade but also for poverty reduction in the forthcoming period. A major drawback of this strategy is that in the short-term it is solely focused on rural areas and does not address the needs of the urban poor. A major issue that needs to be advocated during the full-PRSP preparation process is therefore the need for the government to address the problems of urban poverty. Within the rural context ADLI also seems to be designed with agricultural farmers in mind. The needs of the pastoral communities may not be addressed and this also comprises another area where commitment is required by the government.

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There are also many people who question ADLI as a viable, practically working development strategy. Among the issues raised include the appropriateness of the existing land tenure system and the viability of small holder productivity as a dynamic engine to sustainable growth. I also believe in order ADLI to succeed even in transforming the livelihood of the rural farmer, it should be complemented by interventions that are aimed at transforming the lifestyle of the farmer. In order for the farmer to save and invest, the farmer needs to have a rationale in terms of demand for 'modern' commodities such as utilities, recreational facilities and access to basic services. These will create also non-farm employment opportunities for those who are not directly engaged in farming.

- What is expected from NGOs to strengthen commitment to poverty reduction? To be a viable partner, NGOs themselves should revisit their interventions and ensure commitment to poverty reduction. In addition, NGOs should design their programs with the objective of complementing the government interventions in the area of poverty reduction.

A description of poverty or poverty diagnostics with available information:

The description of poverty in Ethiopia made in one page in the IPRSP document is not adequate. Poverty is multi-dimensional and needs to be analyzed from different dimensions including opportunity, capability and security. By only comparing different consumption-based poverty lines, the assertion made in the document that poverty has declined in the 1990's could be misleading. (What is the NGOs view on this?)

The government data collection system is oriented towards gathering quantitative information. Currently available instruments include census, surveys and administrative records. In order to understand the nature and characteristics of poverty, national, regional and possibly district level statistics are required on incomes, consumption, health, education and other non-material dimensions of well-being, including gender disparities, insecurity, powerlessness and social exclusion. These statistics could reveal whom the poor are, where they live, and their sources of livelihoods. The data collected at national level is usually limited in coverage and cannot be analyzed at disaggregated level such as zones and woredas. The success of the PRSP process very much depends on the availability of good quality data and capacity to analyze them.

NGOs can play important role in bridging these gaps. To begin with NGOs can compile information on poverty situation in Ethiopia from data already available with them. This can be complemented by undertaking Participatory Poverty Assessments in different areas targeting different communities at grass root level. The qualitative information generated out of these studies can complement the poverty diagnostics that will be undertaken by the government. NGOs may also attempt to get access to data already

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available with the government in order to facilitate the undertaking of in-depth analyses on the data sets and generate a wealth of information that may be lying hidden. In this process NGOs can select a number of priority issues for detailed analysis and response strategy.

Through these interventions, NGOs can advocate the consideration of important poverty concerns by prioritizing critical poverty problems and identifying their causes.
Indeed, NGOs can be a strong partner of the government by highlighting the seriousness of the poverty problem in the country and by lobbying for fast and satisfactory debt relief and increased foreign assistance. Per capita Aid to Ethiopia (which is around 15 USD per annum is one of the lowest in SSA, much below other countries like Botswana although have higher per capita income levels are getting per capita aid exceeding 100 USD. The debt relief that is planned for Ethiopia after the PRSP is about 900 million USD over 20 year period, according to unconfirmed sources. This is too small and too slow to make any meaningful impact on the debt burden Ethiopia is facing.

Joining hands with government in lobbying for greater debt relief and increased external assistance is one area of contribution NGOs should consider in the PRSP process.

An outline of the main elements of existing poverty reduction interventions and what needs to be done to build on this foundation:

A strong feature of the PRSP is its envisaged logical steps of first identifying the root causes of poverty and then designing and prioritizing efficient interventions that address these causes, while building a mechanism to monitor progress made towards meeting objectively set goals.

NGOs can contribute to the formulation of an effective poverty reduction strategy by assisting the government in choosing public actions that have the highest poverty impact.

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The government in IPRSP document has elaborated in detail elements of the ADLI strategy and how they are linked to poverty reduction. There is not explicit link made however between the nature and characteristics of poverty problems in the country and elements of these strategy. The government appears to want to bring the whole poverty reduction strategy under the umbrella of ADLI. There are however a number of issues raised by different stakeholders concerning the sustainability and comprehensiveness of this strategy.

In this respect, NGOs can undertake the following activities: -

1. Review existing government programs and interventions in line with the poverty diagnostics undertaken. NGOs could commence with a listing exercise to seek feedback on government services and interventions.
2. Review NGOs programs and interventions in line with poverty diagnostics undertaken.
3. Select best practices both from the government and NGOs sides. Prioritization of actions should be based on the expected impact on poverty in the short- and long-run.
4. Identify gaps in interventions including poverty problems that are not addressed – for ex., urban poverty, pastoralists need, etc. and strategic interventions that are not implemented such as literacy program, nutrition program, informal education, etc.
5. NGOs may go further and identify interventions that they can undertake on their own, activities they can implement to complement government programs, and actions that need to be taken by other civil society groups and the government.
6. Yet another strong feature of the PRSP is its emphasis on outcomes/results. The NGOs should aim to ensure that the most relevant targets are selected and that the results of regular monitoring of outcome indicators feed back to refine policy and programs to improve their effectiveness.

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Civil society and the general public, especially the poor, should be involved in different stages of monitoring the implementation of public policies and programs. Outcome monitoring should be complemented with an impact evaluation to help determine the extent to which improvements in outcomes are due to specific public actions.

PRSP provides an opportunity for civil society participation in designing of policies for maximum impact on poverty reduction in the country. The civil society participation should not depend on the willingness of the government to make the process participatory. The civil society can make a difference by playing a pro active role on behalf of the poor community at large in creating awareness on the magnitude and extent of the poverty problem in the country, and by lobbying for meaningful debt relief and external assistance even if the chance it acquires to directly influence the government PRSP formulation process is minimal.

An outline of the diagnostic and analytical work required

In general to formulate a poverty reduction strategy the government in collaboration with other stakeholders should try to answer four questions (WB: Source Book on PRSP):

1. Where are we now? National authorities should begin with an understanding of the extent, nature, and various dimensions of poverty;
2. Where do we want to go? National authorities should reach some consensus through broad based consultations that lead to the setting of goals and targets;
3. How are we going to get there? This is perhaps the most challenging question. National authorities should develop and overall strategy as well as specific public actions; and
4. How do we know we are getting there? National authorities should set up a system of monitoring and evaluation.

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Christian Relief and Development Association

Awareness Raising Workshop on Poverty Reduction Strategy Paper

Thursday, June 28, 2001, Ghion Hotel

Program

8:30 – 9:00 - Registration

CHAIRPERSON ATO GEZAHEGN KEBEDE.

9:00 – 9:20 - **Introductory Remark**
Ato FekadeTsegay, CRDA

9:20 – 10:00 - **What is PRSP and Why do We Need It?**
(international/global perspective)
Mr. Henry Northover, CAFOD

10:00 – 10:15 - Coffee break

10:15 – 10:45 - Discussion

10:45 – 11:20 - **PRSP in Ethiopia**
(national/local perspective)
Ato Getahun Taffesse, EEPRI

11:20 – 12:00 - Discussion

12:00 – 1:00 - Lunch break

CHAIRPERSON ATO YABOWORK HAILE.

1:00 – 2:10 - **How do NGOs involve in government led process?**
Mr. Henry Northover, CAFOD (global context)
Ato Getahun Taffesse, EEPRI (local context)

2:10 – 3:00 - NGO experience

3:00 – 3:15 - Coffee break

3:15 – 4:30 - Plenary discussion continued

4:30 - Closing

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CHRISTIAN RELIEF AND DEVELOPMENT ASSOCIATION

AWARENESS RAISING WORKSHOP ON POVERTY REDUCTION STRATEGY PAPER (PRSP)

June 28, 2001, Ghion Hotel, Addis Ababa

List of participants

AARDR	-	Ato Getahun Kifle
ACSO	-	Ato Abiy Mekonnen
ActionAid	-	Ato Ahmed Ali
ActionAid	-	Ato Fikre Zewdie
ActionAid	-	Ato Yitna Tekaligne
ADAA	-	Ato Aman Wabe
AL-NEJAH C.O	-	Ato Mohamed Mohmud
ANFEAE	-	Ato Alemayehu Hailu
APDA	-	Ms. Valeri Browning
ASE	-	Ato Getachew Worku
AWCCC	-	Ato Fekadu Belay
CAFOD	-	Mr. Henry Northover
CARE -Ethiopia	-	Ato Zewdie Serbaro
CBM	-	Ato Tigabu G/Medhin
Christian Aid	-	Mr. Clive Robison
Concern Ethiopia	-	Mr. Nuala O.Brian
CPAR	-	Ato Getachew Abegaz
EENGO	-	Ato Bekele Hambissa
EEPRS	-	Ato Getahun Taffese
ERSHA	-	Ato Zeleke Tesfaye
ESCYRPP	-	Ato Berhanu Damte
Ethiopian Gemini Trust	-	Ato Endale Demissie
EWLA	-	Wz. Mahdere Paulos
FCIDF	-	Ato Tamene Negusie
FHI/Ethiopia	-	Dr. Demere Seyoum
FOCUS	-	Ato Aymro W/A
GOAL-Ethiopia	-	Ato Zelalem Anteneh
GRRDA	-	Wz Nigist G/Hiwot
GTZ	-	Ato Tesfaye Zemo
HAI-Ethiopia	-	Ato Abebe Bekele
HARDA	-	Ato Alemu Gebisa
HORCO	-	Ato Anagaw Tadesse
HPD-O	-	Ato Elias Tesfaye
IAG	-	Wz. Martha Yeshiwork
IIRR-Ethiopia	-	Ato Shahigo Gerbu
JACH	-	Ato Hailu Tafesse

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KCADO	-	Ato Afsede Feleke
LVIA	-	Ms. Federica Cerolli J.
LWF-ET	-	Ato Beruk Kabtame
Mary Joy Aid Through Development	-	Ato Yared Degafa
MKC-RDA	-	Ato Berhanu Ambaw
MSDAE	-	Dr. Iyasu Haileselassie
NACID	-	Ato Kassaye Haile
ORDA	-	Dr. Menberu Lulu
OWS	-	Ato Abdullahi Hussen
OXFAM -GB	-	Ato Gezaheng Kebede
OXFAM- GB	-	Mr. Vinay Ray
PAC	-	Wz. Engudai Bekele
PACT	-	Ato Tsegaye Chernit
PACT	-	Ws. Aster Birke
PADET	-	Dr. Berhanu Adenew
PATMOS International	-	Ato Amha T/Work
Press	-	Ato Getachew Shferaw
ProPride	-	Ato Yabowork Haile
RADO	-	Ato Tilahun G/Kidan
RCWDA	-	Ato Getachew Lemma
REST	-	Ms. Maria Strintzos
ROBA	-	Ato Dub Gelma
Save the Children Norway	-	Mr. Landuber Agayer
Save the Children UK	-	Mr. Andrew Kirkwood
SEDA	-	Ato Daba Wirtu
SW/PI	-	Ato Habtamu Girma
Trocaire	-	Ms. Annalisa Murphy
UNDP	-	Wz.Limia Mohammed
UNDP	-	Mr. Alex Unsgaard
UNDP	-	Mr. Geoff Prewitt
UNECA-ESDD	-	Wz. Nina Kebede
UNECA-ESDD	-	Dr. Fred A. Acal
VCH	-	Ato Solomon Legesse
VOCA/ Ethiopia	-	Ato Getachew Tekle
VUHO	-	Ato Ayenew Nurlign
Water Action	-	Ato Girma Mengistu
Water Aid	-	Ato Habtamu Gessesse
WeSMCO	-	Wz. Elizabeth Assefa
WISE	-	Wz. Tsige Haile
World Vision Ethiopia	-	Ato Teklu Wodajo
WSO	-	Ato Yilma Seyoum
Yeteem	-	Ato Yimer M/Mohammed
ZOA Ethiopia	-	Wz. Mulumebet Merhatsidk

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