

# Strategies for Eradicating Poverty to Achieve Sustainable Development for All

*Country ownership, institutions and capacity to formulate and  
implement poverty eradication strategies – lessons from  
PRSPs and MDGs implementation“*

**Naresh Singh, June 2016.**

# PRSPs vs MDGs

## **PRSPs ( 1999 to 2014)**

- Focus: HIPC and then LDCs
  - Strategies for poverty reduction based on debt forgiveness and investment of savings for poverty reduction (HIPC) and aid/loans in LDCs. ( I-PRSPs, PRSP,)
- Intended to be country-driven, result-oriented, comprehensive, partnership-oriented, and based on a long-term perspective; but...
- APRs.

## **MDGs ( mainly 2002 to 2015)**

- Focus Global : all developing (non OECD) countries
- 8 Global goals : did not define strategies
- Goals on basic social needs not growth.
- Largely led by UNDP who sought national/ local govt; CSO private sector engagement.
- MDG-Rs, MAFs,

# Country Ownership and PRSPs 1<sup>st</sup> phase 1999 to 2004)

- Largely led by WB/IMF who did not always respect participatory country product ( Mali)
- In many cases governments did not see the need/nor wished to involve civil society as they felt they knew all that mattered. ( Malawi)
- Governments were largely interested in debt reduction, poverty reduction strategy/ poverty reduction was often seen as a conditionality
- Country ownership requires information sharing, consultation and participation with wide range of stakeholders at national and local levels. This requires time and resources and predetermined timelines often conflict.
- Centralising in Min of Planning or Finance has advantages but also ownership by social sector line ministries is lost



# Country Ownership PRSP Lessons Learned later ..2005-2014

- PRS should be based on existing national strategies where quality is good enough. Avoid Temptation to use expert driven drafts.
- Countries' priorities and capacities vary greatly and should be taken into account when assessing the quality of the PRS documentation.
- The PRS is as much a political process as a technocratic one: consensus building among power groups, trade-offs, coalition building, political context and history all influence ownership or not
- Plan for political transitions, use alternative design approaches, define how to assess financing needs, and ways of enhancing the predictability of aid.
- Clear incentives helped: debt relief, increased aid, budgetary support, loans framework

# Country Ownership Lessons from MDGs

- MDGs were quickly integrated in national development plans, and in some countries at local govt level as well
- Campaigning, advocacy, and public awareness efforts played an important role in getting national buy in
- MDG reports were important to monitoring national progress and to national policy debates gaps in targets etc leading to corrective action through MAFs etc
- MDG nationalisation and localisation of global goals helped
- Consider UNCDF approach to managing local development funds vs Millenium, villages

# Institutional Lessons learned from PRSPs

- Applied analysis of the sources of growth and obstacles to pro-poor growth should be linked to the choice of policy actions and reform strategy
- Existing rules of the game: the budget process, sectoral guidelines, macro-economic priorities, decentralisation policy, cultural traditions need to be well understood and taken into account.
- Policy reform is difficult, but much has been learned on what works and what not in terms of winners and losers, supporters and opponents, incentives, strategies, politics of reform.
- Widespread adoption and institutionalisation of PRS were in part because countries had little choice but also because of the compelling incentives
- PRS need to understand and manage shocks and vulnerability



# Institutional Lessons learned from MDGs

- Progress towards MDGs determined by policy choices and their coherence; governance and capacity deficits; fiscal constraints; and political will. Growth although not a goal was a major determinant of progress.
- Weaknesses of MDGs : Perception of a donor centric agenda due to lack of consultations; non representation of important HD issues; quality criteria missing
- Although MDGs as time bound quantitative goals were attractive to RBM obsessed donors; these were mere goals and targets without strategies and ToCs and so link between donor supported programs in countries and the MDGs were weak and lost donor interest over time

# Capacity Lessons learned from PRSPs

- HIPC/LDCs had widespread capacity constraints including: Policy Bottlenecks, High Transactional Costs, Fragmented Institutional Arrangements, Inadequate Human Resources, Technology and Infrastructure deficits. These were all interlinked across social and economic sectors and required a systems approach in order address the comprehensive nature of PRSPs.
- In the face of the constraints it was important to set realistic short medium and long term goals. On one hand visible results were important to maintain momentum on the other failing to deliver reduces credibility.
- Capacity building was often included in the PRSPs. But estimates for funding were often based on what was available than that required for PR.



- Capacity Implications for Africa (Obadan and Ikide, 2009.)
  - Weak analysis of the sources and drivers of growth, itself a sine qua non for sustained poverty reduction;
  - Inadequate PSIA to select alternative reforms
  - Poor budgeting of agreed public actions to reduce poverty, e.g. MTEF;
  - Weak public expenditure management (PEM;
  - Weak absorptive capacity often arising from weak technical capacity of ministries, poor coordination of interventions and the multiplicity of cumbersome and complex procedures of donors and creditors.
  - Weak monitoring and evaluation (M&E) capacity, notably in relation to data availability and quality and the institutional capacity for M&E, particularly a clear linkage between data production, analysis and (evidence-based) policy making.

# Capacity Lessons from MDGs

- An alternative to budgeting for PRS was public investment needed to for meeting MDGs over the long term using national PRS budget as medium term component
- The MDG goals had varied influences on resource mobilisation. Goals for health, education, water and sanitation did well. Hunger and employment goals made little difference.
- MDG heavy emphasis on basic needs neglected productive capacities.
- SDG will require increased capacity for data management including measuring inequality and governance parameters, disaggregation of data ; and integrated systems tools .
- MAF transition into SDAF should be considered

# Key takeaway lessons

- plan for political transitions,
- build coalitions of support,
- get the poor themselves and their representative organisations engaged,
- engage local NGOs in public policy processes
- strengthen national data collection and reporting systems,
- budget for what is needed for poverty reduction everywhere in all its forms.
- Shift from the more welfarist approach of the MDG/PRSP era to an inclusive wealth creating approach



# An Inclusive Wealth Creating 2030 Agenda

- Greater engagement of private actors
- Help the poor become private agents of wealth creation to reduce inequality and make growth inclusive through the SLA and LEP. Allows practical integration of human rights and markets for a truly transformative and holistic agenda.
- Move beyond traditional notions of employment and jobs which neither fit well nor allow full exploitation of the sharing economy, the new economics of multisided platforms and the potential of behavioural economics especially as applied to the informal sector.

# Creating Room for Innovation in the 2030 agenda

- Acknowledge complexity, emergent novelty, self- organisation and non-linear development pathways will require shifts in the way policies are set, programs designed and M and E carried out.
- Adapt and make log frame more flexible
- Introduce DE where feasible based on CAS thinking
- Create adaptive policies based on self organisation and social networking capacity of communities; decentralising governance; promoting variation in policy responses; formal policy review and continuous learning.

# Delivering on SDGs in country contexts

- Use 5 categories of countries OECD, MIC, LIC, LLCSI and FCAS for knowledge exchange, experience sharing etc without losing individual country contexts
- Forge a consensus among international partners and countries on how to deliver the SDG agenda in countries
- Refine the MAF to be more receptive to innovations and transform it to an SDAF
- Existing tools are usually technocratic. Develop tools that reflect the well recognised political nature of poverty reduction and sustainable development