

Children First In the Poverty Battle - Appendix A

**Detailed Review
of five National PRSPs
in the Southern Africa Region:**

Malawi

Zambia

Mozambique

Botswana

Lesotho

by Shirley Robinson, March 2003

This Volume constitutes the Appendix to the report “Children First In the Poverty Battle!” which summarises main findings and recommendations from the Review of 5 national PRSPs in the Southern African region. The Report is available through Save the Children Sweden’s website www.rb.se or the Programme Officer for Good Governance at Save the Children Sweden’s Policy, Research and Development Section, postal address S-107 88 Stockholm, Sweden; telephone: +46-8-698 90 00.

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Contents

	Page
List of Abbreviations	4
Detailed Review of the National PRSPs	5
Malawi	5
Zambia	21
Mozambique	48
Botswana	66
Lesotho	80
References	86

List of Abbreviations

BEDCO – Basotho Enterprise Development Corporation (Lesotho)
BESSIP – Basic Education Sub-Sector Investment Programme (Zambia)
CFMP – Medium-term fiscal scenario (Mozambique)
CHAL – Christian Health Association of Lesotho
ECD – Early Childhood Development
EHP – Essential healthcare package
FDI – Foreign Direct Investment
GDP – Gross domestic product
HIPC – Highly Indebted Poor Country
HIV/ Aids – Human Immuno-deficiency virus/ Acquired Immuno-deficiency syndrome
IAF – Household survey (Mozambique)
MPRSP – Malawi Poverty Reduction Strategy Paper
MTEF – Medium Term Expenditure Framework
NGO – Non-governmental Organisation
PAP – Poverty Alleviation Programme (Malawi)
PARPA – Action Plan for Reduction of Absolute Poverty (Mozambique)
PRSP – Poverty Reduction Strategy Papers
SADC – Southern African Development Community
SAP – Structural adjustment programme
SMME – Small, medium-sized and micro enterprises
STD – Sexually transmitted disease
SWAP – Sector-wide approach
TB – Tuberculosis
UNDP – United Nations Development Programme
USD – United States dollars
WDR – World Development Report

Malawi Poverty Reduction Strategy Paper

Introduction

The Malawi Poverty Reduction Strategy Paper (MPRSP) has been developed through a highly consultative process involving a broad range of stakeholders and represents a national consensus on the strategies that Malawi will follow to address its core objective of poverty reduction.

The guiding vision of the MPRS is to achieve “sustainable poverty reduction through empowerment of the poor”. This principle raises the poor up as the primary agents of their own development in an active sense, rather than as the passive recipients of welfare hand-outs and “trickle-down growth”. The emphasis is therefore orientated firmly towards pro-poor growth policies and interventions.

The second main feature is its proposed focus on implementation – that is, prioritisation and action plans. The strategy notes that numerous Government plans have failed to realise their intended objectives due to lack of action planning and broad ownership.

The medium goal of the Malawi PRSP is that by mid-2005 the incidence of poverty in Malawi should be reduced by 6 percentage points, from 65,3 per cent of the population to 59,3 percent. The strategy is built around four main pillars. These are:

- Promoting rapid sustainable pro-poor economic growth and structural transformation.
- Enhancing human capital development.
- Improving quality of life of the most vulnerable.
- Promoting good governance.

The MRSP also mainstreams key cross-cutting issues such as HIV/Aids, gender environment, and science and technology.

These four key pillars mainstream poverty reduction as the key focus throughout Government, rather than treating poverty as a separate issue to be addressed through special programmes and interventions.

Poverty analysis and profile

A comprehensive poverty analysis and profile prefaces the strategy. The profile characterises poverty as more than mere income deprivation. It also refers to other economic, social, psychological and physiological dimensions captured in the capability approach to poverty profiling.

The profile notes that “poverty in Malawi is widespread, deep and severe. Based on the 1998 Integrated Household Survey consumption data, 65,3 per cent of the population is poor (about 6,3 million people)...28,2 per cent of the total population are living in dire poverty. In general, the poor have low levels of access to or acquisition of certain basic social services or capabilities.” (page 5)

The poverty profile considers the spatial distribution of poverty, highlighting that prevalence is higher in the rural areas than in the urban areas. A sectoral analysis of poverty points to the higher dependency ratio in poor families and the greater predominance of poor female-headed households and child orphans.

Educational characteristics draw attention to the low adult literacy rate (estimated at about 58 per cent in 1998) and economic characteristics highlight self-employment and agriculture as the predominant economic activities, especially in rural areas.

Comment

The major weakness of the poverty profile, which is carried throughout the strategy, is the absolute lack of focus on the demographics and poverty situation of children – a key vulnerable group in most developing countries.

Structural adjustment and poverty

The following chapter reviews the series of structural adjustment programmes that Malawi has implemented to address structural weaknesses and adjust the economy to attain sustainable growth and poverty reduction. The review notes that the impact of these structural adjustment programmes has been mixed and for the most part, negative, has far as poverty reduction is concerned. Macroeconomic instability due to external shocks, inconsistent implementation of reforms, fiscal policy changes and the narrow base of production capacity have undermined the poverty reducing impact of economic growth and exacerbated the poverty situation.

To address this situation, in 1994 Malawi implemented the Poverty Alleviation Programme (PAP) as the main strategy for addressing poverty. The PAP emphasised “the need to raise national productivity through sustainable broad-based economic growth and socio-cultural development” (page 16). The PAP, however, did not translate through into action plans and policy interventions. The result was a series of fragmented initiatives that did not achieve the intended impact.

The minimal impact of PAP led to the need for poverty reduction through the stimulation of pro-poor economic growth while investing in social sector development

and Government intervention to vulnerable groups. Hence the development of the Malawi Poverty Reduction Strategy.

Pillar 1: Sustainable Pro-poor Growth

The strategy denotes that pro-poor growth is economic growth that involves and benefits the poor. This leads to improvements in the income distribution and generation of employment.

Country consultations revealed a number of critical inadequacies in previous growth strategies. These were identified in agricultural production, micro-enterprises and micro-finance, rural infrastructure and macroeconomic stability.

Pillar 1 is divided into two main elements. These are the promotion of specific sectoral sources of pro-poor growth and the creation of an enabling environment for pro-poor growth.

Agriculture was identified as the key specific source of pro-poor growth in the medium term. Sectors identified for diversification, especially through SMMEs, include natural resources, manufacturing, tourism and small-scale mining.

Pillar 1 identifies critical policies and interventions that will promote poverty reduction through agriculture by providing farmers with the necessary services and conditions for them to increase production and therefore their incomes. This includes expanding and strengthening access to agricultural inputs; improving research and extension services; introducing smallholder friendly technologies; improving access to local and international markets; reducing land shortage and degradation; increasing investment in irrigation; and developing farmer co-operatives and associations. Interventions targeting rural infrastructure and security are also prioritised.

Comment

Notably, Pillar 1 does not identify children as a specific focus for economic activity. However, it is recognized that poor children living in households where at least one or more of the household are gainfully employed are likely to experience improvements in living standards and future economic opportunities.

A key area for improvement in the strategy is the lack of attention to the issue of child labour. In most agrarian economies, child labour and exploitation is a critical area of concern. It is therefore recommended that child-focused research and advocacy efforts draw attention to the incidence, trends and situation of working children in Malawi. This may extend to issues of trafficking in children or child prostitution and sexual exploitation, if considered a concern by children's rights groups.

Pillar 2: Human Capital Development

The strategy notes that human capital development is key to poverty reduction in Malawi. This draws on the capability approach to poverty that recognizes that poverty is not only the result of insufficient income. Rather, it is characterized by insufficient capabilities that enable individuals and communities to participate meaningfully in social and economic opportunities.

In this respect, Government has an important role to play in directing public resources towards affordable and accessible primary health care services, nutrition, clean and safe water, sanitation, primary and secondary education, welfare and care services, protection and judicial services. These programmes aim to improve economic and human development opportunities and reduce physical and economic vulnerability of communities.

The Human Capital Development pillar is based on four goals – ensuring the development of human capital development through:

- Education
- Technical, entrepreneurial vocational education and training
- Health and population
- Promotion of good nutrition

Education

The delivery of education in the strategy includes the delivery of primary, secondary and tertiary education. The right of children to quality primary and secondary education is the key concern here.

The strategy notes that the introduction of Free Primary Education in 1994 led to an increase in the gross enrollment rate to 132 and the net enrollment rate to 78 by 1999. The latter highlights the problem of large numbers of over-age learners contributing to high repetition rates and a lowering of the throughput efficiency of the schooling system. Also noted is that increasing access to education has been offset by a decline in quality and a high drop out rate. Key efficiency and effectiveness indicators such as the learner: educator and learner: classroom ratios are at unacceptable high levels – 118 and 95 respectively. These ratios impact on the quality of education received and therefore the retention rates of learners in the system.

The strategy also notes that there have been significant problems of access to basic education for children with special needs due to the lack of a necessary enabling environment and inadequate infrastructure.

At the secondary level, access is still limited with a gross enrolment ratio of 18 per cent and reflects considerable income and gender inequalities. Quality of secondary schooling is also disparate and inadequate.

The strategy does recognize the centrality of education and skill development to reducing poverty and improving the life opportunities for poor communities.

In the context of basic education, the stated objectives include:

- Improving the quality and relevance of primary education
- Improving access and equity at the primary level, focusing on special needs education and girl children
- Increasing and improving functional adult literacy and numeracy
- Providing special education for the out-of-school youth
- Expanding pre-school education/ early childhood development (ECD)
- Responding urgently to problems created by the HIV/Aids epidemic
- Decentralising administrative and planning responsibilities to local level authorities

In the context of secondary education, the stated objectives include:

- Increasing access and equity to secondary schools
- Improving the quality and relevance of secondary education
- Improving the management and administration of secondary education

Comment

The section on education does prioritise children in respect of the programmes targeting improvements in access and quality of primary and secondary schooling. However, the complexity of the education system and the extent of the challenges facing education in Malawi call for an honest appraisal of what interventions are possible within available (MTEF) resource constraints. Realistically, wholesale restructuring of all sectors of the education system is impossible, even if Malawi were well capacitated and resourced. Phasing and sequencing of reforms is therefore a critical addition and notably lacking in the strategy.

These concerns raise the relative priority of primary and secondary schooling versus tertiary education concerns. Children will only benefit if the Malawian government directs its resources and efforts towards restructuring and improving access and

quality of primary and secondary schooling. And in terms of phasing and sequencing concerns, access reforms often precede qualitative improvements in the education system. What is of concern is that the strategy does not reflect the relative priorities of basic versus tertiary education. Priority given to children in education is therefore at risk in implementation.

Health and Population

Preventative and curative health interventions in Malawi take place at four levels: community, primary, secondary and tertiary. Preventative interventions are focussed on nutrition, sanitation and public information campaigns (such as mosquito net use). Community level healthcare is delivered from Health Surveillance Assistants in conjunction with Village Health Communities. Primary healthcare is delivered through health centres and clinics, and is aimed at improving maternal and child health and the promotion of early treatment of common disease conditions. Secondary healthcare, delivered through district hospitals, is aimed at more specialised conditions. And tertiary healthcare, delivered through central hospitals provides referral services for highly specialised conditions.

The strategy notes that the health system has been centralised and centrally designed and vertically managed projects tend to proliferate. This has led to significant duplication, poor coordination and high administrative costs. There has also been inadequate support to and coordination with private sector providers, particularly NGOs.

Further, the strategy notes that a lack of qualified and adequately compensated medical staff – doctors, nurses and related personnel – has led to high population: medical personnel ratios, contributing to poor access to health care services.

There is also an acute shortage of clinical and technical support services (laboratory services, pharmacy services, radiology, ambulance services, physiotherapy etc) in most hospitals and health centres.

Referral bypass is a significant concern, raising the costs of primary and secondary health care. People seeking medical advice tend to avoid lower cost clinic care due to the poor quality of infrastructure and lack of access to appropriate medical personnel and drug availability. It is estimated that as many as 85 per cent of hospital admissions could be treated at lower level, lower cost facilities.

At the centre of the health strategy is the design and implementation of an Essential Healthcare Package (EHP). This is a 'minimum' bundle of health services provided at

community, primary and secondary levels, supported by the necessary administrative, logistics and management services. The package:

- Addresses the major causes of morbidity and mortality among the general population (such as malaria) and focuses in particular on the medical conditions and service requirements of the rural poor;
- Address issues of family planning and population.

The EHP strategies are grouped under the following objectives:

- Improving quality and availability of essential healthcare inputs by increasing medical personnel training and reviewing remuneration structures;
- Improving access to and equity of essential health care by rehabilitating existing infrastructure and increasing mobile health services; and
- Strengthening the administration and financing of healthcare services (strengthen planning, budgeting and transport management, particularly at the district level).

Comment

The financing of the essential health care package is not detailed in the strategy. The latter simply notes that Government will develop an integrated financing strategy for the EHP. “Operational research” will guide the Government’s decision as to whether the EHP will be free of charge or subject to user fee charges with an exemption mechanism for poor or targeted groups.

The strategy also notes that the financing and management of the EHP will be enhanced by the development of a Sector-Wide approach (SWAP) in the health sector to coordinate and strengthen donor and government financing of the EHP.

It is also important to note that the EHP will be implemented in the context of an evolving decentralisation to local government through district services.

It is precisely the devil in the detail that will affect the provision of, and equity in access to, appropriate primary and secondary health care services for children in Malawi. Primary level health services, if subject to a user charge, universal or means tested, will tend to reduce access to basic health care services for poor women and children.

It is therefore important to critically evaluate the ‘operational research’ that will be used to determine the user charge policy and therefore access to primary health care services. In South Africa, the provision of Free Primary Health Care services at public clinic facilities, firstly to children under 6 years and pregnant women, and then to all

clients, has dramatically increased access to and utilisation of primary health care services by poor communities, in particular women and children.

There is also evidence to prove that user fees for primary health care services tend to reduce access to primary health care services for poor communities. Further, poor administrative capacity and record keeping systems may reduce the efficiencies of means tested user charges. In any case, means tested user fees may be inappropriate at the primary health care level if it is predominantly the poor who tend to make use of the service.

While not the only determinant, access to primary health care facilities does play a significant role to improving child health indicators.

In a similar vein to the education sector, access to primary health care for children will also depend on the relative prioritisation in relation to tertiary health care facilities. A shift to primary health care is synonymous with a shift of financial and personnel resources. This trend is important to monitor to assess Malawi's relative prioritisation of low-cost preventative health care, of which children are a major beneficiary, and higher cost specialised and curative health care.

Promotion of Good Nutrition.

The strategy notes that malnutrition is both a cause and a consequence of poverty. About 49 per cent of children in Malawi are stunted (height for age), 25 per cent are underweight and 6 per cent are wasted.

The objectives to promote good nutrition identified in the strategy include:

- Improving infant and young child feeding
- Diversifying and modification of diets
- Strengthening institutional capacity.

The Baby Friendly Initiatives to promote good infant feeding practices and community awareness campaigns on nutrition, food and security, and HIV/Aids and nutrition are certainly needed and benefit children. However, there is a worrying tendency to create institutions and bureaucracy (a Food and Nutrition Council) to coordinate relevant research on food and nutrition, monitoring of fortified foods, evaluation of food nutrition programmes, etc. Malawi is a country in the midst of famine.

Widespread hunger and starvation among children are not only leading to worsening child nutrition indicators; children are dying from the lack of food in any form.

Research and research institutions will not solve this problem in a hurry. What are needed are primary school feeding programmes, emergency food parcels, and an

integrated nutrition programme – for instance, subsidised maize that is fortified with the necessary vitamins etc. Certain elements of the above are included in welfare support interventions that are targeted to particularly vulnerable groups, including children. Interventions are targeted towards malnourished children and vulnerable pregnant and lactating mothers and direct transfers for the chronically poor.

Pillar 3: Improving the Quality of Life of the most Vulnerable

The overall objective of the pillar 3 is to improve the quality of life of the most vulnerable groups by providing moderate income support to the transient (temporary) poor and significant transfers to those who are defined as being chronically poor.

The strategy defines these vulnerable groups as including:

- Individuals and households affected by natural disasters (transient vulnerable);
- Households headed by orphaned children;
- Elderly;
- Single parents (especially women);
- Persons with disabilities;
- Under five children;
- Lactating and pregnant women;
- Orphans in the street;
- Orphanages;
- Foster homes and extended family member households;
- The unemployed and the underemployed in urban areas
- The land constrained in rural areas
- Technologically constrained small-scale farmers.

The various interventions that Malawi has used to improve the quality of life of these vulnerable groups are noted. They include the use of market-based policies, such as price controls, subsidies and minimum wages; administered safety net programmes, such as nutrition supplements, free food distribution, free input (most likely agricultural) distribution and public works programmes. Malawi also provides direct assistance and social welfare transfers to vulnerable groups.

These interventions faced certain problems:

- The market based policies were inefficient, fiscally unsustainable and mostly benefit the non-poor (that is, significant leakage to higher income groups);

- Administered programmes were fragmented, uncoordinated and were poorly targeted;
- Direct assistance programmes were minimal in resource allocation and limited in coverage.

These inadequacies in public interventions have meant that informal safety nets are exploited and their vulnerability further enhanced through increased poverty and the impact of HIV/Aids.

Strategies to strengthen safety nets focus on productivity enhancing interventions for the transient poor and significant welfare transfers for the chronically poor.

Productivity enhancing interventions include targeted distribution of inputs for the capital-constrained poor and public works programmes for the land – constrained poor.

Welfare support interventions include targeted interventions for malnourished children and vulnerable pregnant and lactating mothers and direct transfers for the chronically poor.

The targeted nutrition programme includes the provision of nutrition packs through a food voucher system, redeemable from food retailers. In remote rural areas, the procurement and delivery will be tendered out to NGOs or commercial companies.

The targeted welfare transfer programme will involve the direct transfer of cash or a retail voucher. This will be completed on a pilot basis first before being rolled out.

Comment

It is important to note that the strategies identified to strengthen safety nets are key pro-poor programmes, but efficiency and effectiveness of service delivery depends to a significant extent on a well capacitated state machinery. If the latter is not present, then these laudable programmes will not be successful in implementation. The list of the programmes identified would stretch the capabilities of a well capacitated state. It is of concern that a divergent array of programmes is identified in the context of weak state machinery to deliver.

The direct cash transfer is one of the better targeted and administratively least complex of the interventions – and the one that will benefit children if appropriately targeted to the elderly and care givers of children. South Africa has one of the most unique social security cash transfer programmes – expenditure on direct cash transfers to the vulnerable groups amounts to about 3 per cent of GDP. Research

studies have highlighted the safety net that transfers such as these provide in the context of extended families. Again, the priority given to these interventions targeting the vulnerable depends on the extent of resources – financial, systems and personnel – that are prioritised towards ensuring efficient and effective delivery to the vulnerable groups.

Disaster interventions

Lastly, the Malawian strategy promotes interventions to improve disaster management across the country. This is particularly relevant as 2002 has seen significant drought accompanied by mass starvation, the latter which may have been mitigated if appropriate prevention measures had been undertaken earlier.

The interventions include establishing early warning systems on famine and other climatic conditions as well as strengthening the operations of disaster relief emergence programmes.

Comment

These interventions benefit children indirectly, as children are often without voice or resources in situations of disaster. Again, however, the impact for children depends on the allocation of resources and appropriate capacity to ensure that systems work efficiently (i.e. at lowest cost) and effectively (i.e. have greatest possible impact).

Pillar 4: Good Governance

The fourth pillar promotes the institutions of development-orientated governance, noting that “even with the best strategies for pro-poor growth, human capital and safety nets, poverty will not be reduced unless there is [appropriate good]governance”.

The strategy notes that good governance consists of:

- Political will and mindset;
- Security and justice;
- Responsive and effective public institutions.

Political Will and Mindset

Any social or economic strategy – such as a macroeconomic or poverty reduction strategy – may only be realised if backed by robust political will and the correct mindset.

A strong message that emerged from the consultations of the Malawi PRSP was the need to depoliticise development, make and accept constructive criticism and be

prepared to make hard decisions in the policy choices and implementation of the strategy.

In fact, a recurring theme throughout the stakeholder consultations was the need to reduce the extent of political interference in sectors such as public expenditure management, security and justice, credit, taxation and infrastructure.

Comment

A key observation of the strategy is that Malawian politics is characterised by patronage and regional relations rather than commitment to policy choices and their implementation. In fact, the strategy notes that “there has been an apparent lack of political will ...to make and implement the hard prioritisation decisions required to improve the effectiveness of Government activities. In particular, prioritisation requires that certain low priority activities must either be scaled down or stopped altogether”.

This observation is critical due to the fact that children often lack a strong political voice, which tends to weaken the prioritisation and implementation of appropriate interventions that meet children’s needs and rights. This means that societies that are characterised by patronage and regional relations are those that often have weak, if any, commitment to meeting children’s needs (and rights).

The strategy suggests that these concerns should be addressed in the short- to medium-term through the design of reforms that impact positively on the broad based poor. These reforms should include interventions to ensure professionalisation of the public service and delivery on realisable targets.

Security and justice

Issues of security and justice are closely linked to improving the life circumstances of opportunities of the poor. Poor people are among those that are the most vulnerable to crime and violence. In addition, insecurity raises the risk profile for the poor to accumulate assets and wealth.

Recent reforms to the policing services have not impacted on rising levels of crime. The strategy points to poor safety and security indicators – a police personnel: population ratio of 1:1667 against a regional average of 1:1500 and a six per cent rise in crime levels over the past five years.

The strategy merely notes that the deteriorating safety and security situation is due to the lack of financial and human resources. Interventions therefore include increasing crime control capacity, by deploying more police personnel and building associated

policing infrastructure. Enhancing community involving in policing, firearm control and information technology modernisation, are also noted as priority interventions.

Complementary interventions include improving access to and the quality of administrative justice services around the country.

Comment

In analysis, while children are often among the most vulnerable in society, there is a complete lack of prioritisation of juvenile justice and child protection issues in the strategy. How many children are being detained in prison? – for what kinds of crimes? What are their sentence types? What abuse do they get subjected to in the system? What laws, if any, protect their rights and are they enforced at all? Similarly, is there any commitment to child protection issues – what is the extent of child abuse and sexual exploitation in Malawi? How do the criminal justice and social welfare systems interact to ensure (or not) the rights of children that have been abused? What is government doing to reduce the rate of child abuse in Malawi?

Ensuring Responsive and Effective Public Institutions

Sound public expenditure management policies are recognised as a pre-requisite for growth and development. The core of Malawi's PEM reforms is the implementation of a medium-term expenditure framework in 1995. However, the implementation of the MTEF has not been all that successful. The reform lacks credibility due to the virtual absence of realistic costing of activities which has resulted in implementation of unaffordable sector policies and continuous divergence between actual and budgeted expenditures. As a consequence, there is a complete lack of prioritisation in the budgeting system and resources are spread too widely and too thinly to have any impact on improving the living circumstances of poor communities.

The MTEF has also been undermined by pressures to finance new and unbudgeted activities at the expense of identified priorities – this points to the lack of political will to ensure successful implementation of public expenditure management reforms.

Therefore, a major challenge for the strategy will be to ensure implementation of an effective medium-term budgeting system.

Public expenditure management interventions include improving budget implementation by creating hard budget constraints; and improving public expenditure planning and budget preparation.

Extensive reform of the public service, includes interventions to improve public sector conditions of service and work ethics; review of the structure of the civil service; address capacity constraints across government; strengthen public policy making; and improve the effectiveness of parastatals.

Issues of good governance are also dependent on the structure of governance institutions. Malawi is undergoing a process of decentralisation in favour of local government. Local governments have been created at district level to perform functions previously performed at the central level. Since the passing of the Local Government Act in 1998, there has been significant progress in establishing the appropriate legislative framework for local governance. However, the political will and technical implementation issues are of considerable challenge. Key interventions in this regard include the development of appropriate institutional capacity for local governance and the appropriate transfer of functions, resources and planning to districts.

International experience shows that public expenditure management reforms, civil service reforms and decentralisation reforms are not short term interventions. On the contrary, these reforms require systematic changes to the fundamentals of governing institutions and therefore should be appropriately sequenced, financed and capacitated.

Comment

Good governance reforms indirectly do benefit children as they ensure that resources are directed to high priority interventions, including those that prioritise children, and that appropriate institutions are able to implement the intended interventions efficiently and effectively, directing benefits to the targeted recipients.

However, it is important to note that evidence of successful governance reforms is far outweighed by that of reform failure. Political commitment and mindset change are critical for their success.

Cross-cutting Issues

In addition to the four pillars that frame the Malawian PRSP, the strategy identifies a number of cross-cutting issues, including HIV/Aids, gender and empowerment, the environment, and science and technology. The first two issues are those that have particular relevance for children.

HIV/Aids

Malawi has one of the highest HIV infection rates globally. Recent estimates indicate that infection rates among women attending antenatal clinics range from about 13 per cent in rural areas to approximately 25 per cent in urban areas. The number of infected children are estimated at 65 000 in 2001 and about 70 000 children are orphaned each year, adding to the estimated Aids orphan population of 850 000.. HIV prevalence is concentrated in the 15 –24 age cohort, with women bearing the higher incidence.

Strategies to combat the HIV/Aids epidemic include:

- Implementing preventative interventions involve incorporating HIV/Aids awareness in school curricula and expanding adolescent reproductive health services; promotion and use of the female condom, prevention of mother-to-child transmission programmes; voluntary counseling and testing and strengthened blood safety standards.
- Improving the quality of care of HIV/Aids at hospital and community levels.
- Introducing interventions that support vulnerable groups and mitigate the economic and social impact of HIV/Aids.

Comment

Given the immensity of the challenge facing Malawi, the section on HIV/Aids is extremely weak. Children are by far the most vulnerable section of the population in this respect as they bear the burden of infection and affection. Rising child mortality and increased poverty levels resulting from the loss of both parents, children bear the brunt of the Aids epidemic.

The strategy is extremely ‘thin’ on the range and complexity of interventions required to combat the HIV/Aids epidemic. Prevention programmes and awareness campaigns are one element. Utilising nevirapine to reduce mother-to-child transmission is a critical intervention, but its success also depends on an operational primary health infrastructure. Similarly, extending condom usage and voluntary counseling and testing programmes are premised on the existence of an extensive primary health care network which is accessible and affordable to the poor.

The strategy is silent on these issues. Its silence is deafening for the life circumstance and opportunities for Malawian children, given the extent and the impact that HIV/Aids is wreaking on the Malawian population.

Gender and empowerment

Gender and empowerment relations are still extremely unequal in Malawian society. Gender empowerment is often associated with positive developmental impact as there is a virtuous cycle between empowerment of women and their capacity to improve the health and education of their children and participate meaningfully in social, economic and political activity.

Interventions identified in the strategy include:

- Strengthening the institutional capacity for implementation of the national gender policy;
- Engendering budgets and the allocation of resources;
- Promoting gender sensitive formal and informal legal environment;
- Eradicating gender-based violence;
- Enhancing women’s participation in leadership and decision making processes.

Comment

Interventions that impact on children directly are those that impact on eradicating gender-based violence and engendering the allocation of resources. Children, particularly girl children, are often the victims of domestic violence. The strategy is silent on issues of child abuse in Malawi. This may be an area necessitating immediate investigation and advocacy from the child rights movement.

Further, while the concerns to ‘engender budgets’ are valid, it may be a more productive strategy to ensure a child-focused poverty reduction strategy and resource allocation process. Children do benefit when resources are appropriately directed and spent on primary health and education, focusing particularly on maternal and girl-child concerns. However, issues of the girl child may be thrown into greater prominence through a child-focused strategy that prioritises the reduction of child poverty in Malawi in particular.

Zambian Poverty Reduction Strategy Paper

Introduction and Overview

The Zambian Poverty Reduction Strategy Paper has been developed at a critical stage in the country's economic development path. Poverty levels are high and prevalent, and economic prospects poor.

Zambia, which 20 years ago was one of the more prosperous economies in Sub Saharan Africa, now ranks as one of the Least Developed Countries. At present, about 74 per cent of the population is classified as poor, whether poverty is defined as a situation of lack of access to income, employment opportunities, education, health, food, shelter and clean water.

Poverty levels are higher in rural than urban areas (83 per cent compared to 56 per cent), although trends show urban poverty on the rise due to higher levels of unemployment.

While poverty is multi-dimensional and results from a variety of factors, the decline of the Zambian economy over the past three decades has been the greatest contributor to rising poverty levels.

Mining, the core of the Zambian economy, has been in long-term decline, and has drawn other sectors down alongside it. There has been no diversification into other economic sectors to mitigate the effects of the mining sector decline. This has contributed to reduced employment opportunities and rising unemployment levels. Furthermore, the impact of HIV/Aids has worsened the poverty situation and increased the burden of the disease on already poverished and vulnerable communities.

The strategy summarises the factors contributing to worsening poverty in Zambia:

- Lack of economic growth while the population has increased three-fold since independence (1964).
- Inadequate or inappropriate targeting of the poor and vulnerable people as evidenced by inappropriate budgetary and expenditure trends that have generally biased resources against pro-poor interventions;
- Weak integration of the poor, particularly small-scale farmers, into the market;
- Absence of well-conceived livelihood approaches that address rural and urban poverty;

- Poor people's weak access to real assets (land, houses etc.) due to unfavourable land ownership laws and unsupportive land tenure systems that have worsened land productivity;
- Weaknesses in economic and political governance.

Measures to enhance the reduction of poverty in Zambia are dependent on revival of the economy. The Zambian PRSP is unequivocal in its call for poverty reduction alongside renewed and sustainable economic growth.

The strategy aims for Zambia to achieve economic growth of 4 per cent by 2004, and higher growth thereafter, dependent on the fortunes of the mining industry. It is expected that these levels of growth will reduce poverty levels from 73 per cent in 1998 to 65 per cent in 2004.

In summary, enhanced agricultural development lies at the centre of the Zambian PRSP. Zambia has abundant arable agricultural land and supportive agro-ecological areas which could contribute to sustained increase in agricultural output.

Furthermore, poverty levels are highest among the rural poor, who are predominantly based in agriculture. Therefore, the implementation of appropriate measures to enhanced agricultural development is likely to have a significant impact on reducing poverty.

The Zambian PRSP also identifies the potential for large-scale agricultural farming. The case for successful diversification from copper mining is considered crucial and commercial agriculture is encouraged to play a major role.

The agricultural sector (small- and large-scale) is also being encouraged to shift towards producing goods for the export market, due to the limit size for expansion in the domestic market. The list of known agricultural products where Zambia has both comparative and competitive advantage includes coffee, cotton, groundnuts, flowers, and paprika. Agricultural diversification will assist in broad-based diversification from the copper industry.

As broad-based economic growth is the key to sustainable growth and development, the Zambian PRSP highlights plans for enhancement of economic sectors, other than agriculture. In particular, Zambia plans to revive the mining and manufacturing sectors, in order to raise employment opportunities and spur investment and economic growth.

The withdrawal of Anglo American Corporation from the mining sector represents a considerable setback for the sector and therefore the strategy. However, Zambia

aims to interest alternative private sector interests to invest in the mining sector. In the short- to medium-term however, the strategy focuses on preventing the premature closing of existing mines, as this will impact further on rising unemployment and poverty levels.

For tourism, the plan envisages national interventions, including rehabilitation of roads in tourist areas, tourism marketing and human resource development, and zonal developments, including the building of roads, airports and electrification of rural areas to enhance tourism infrastructure in these areas.

For industry, the strategy focuses on selecting those industries which have the highest export potential. These are likely to include the processors of primary goods, such as agricultural and forest products, and manufactured items required by the mining industry.

Growth in industry, however, depends on the operation of efficient transportation systems. The strategy therefore promotes the rehabilitation and maintenance of the road and railway network, as well the electrical energy infrastructure.

Getting to the issues of affordability, the Zambian PRSP notes that all interventions will have to be planned within the overall resource envelope in order to ensure fiscal and balance of payments sustainability. It notes that donors will finance 67 per cent of the total cost, 33 per cent coming from domestic resources.

Given the importance of prudent economic and financial management and political good governance to its success, the strategy prioritises issues of economic and political governance.

At the economic level, this entails promoting accountability and efficient public expenditure management. At the political level, good governance calls for the separation of powers, legislative development, upholding the rule of law, improving oversight and zero tolerance of corruption.

The strategy itself is divided into four sections:

- The overview – which contains background chapters, such as the macroeconomic background, the poverty profile of the country and an outline of the central position of good governance in poverty reduction.
- Strategies for reducing poverty focusing on Economic and Social Issues;
- Strategies for reducing poverty focusing on Required Infrastructure Support;
- Part four outlines the issues relating to the implementation and monitoring of the PRSP.

The review of the PRSP focuses on the first section (the poverty profile and good governance sections) and the second and third sectors, as these are most relevant to a focus on child poverty reduction.

Poverty Profile

The PRSP poverty profile characterises poverty in terms of income, basic needs and capability aspects.

Poverty analysis indicates that, between 1991 and 1998:

- Income poverty rose from 70 to 73 per cent;
- Poverty increased in urban areas dramatically over the period, contributing to a narrowing of the urban: rural inequality;

Further analysis highlights that poverty has increased in all major non-income dimensions, such as life expectancy (decline from 45,5 to 40,5 years), percentage of the population that is uneducated (rising from 18 to 27), reduced food intake (rising from 46 to 64 per cent of households). Overall, the Human Poverty Index for Zambia rose from 36,9 per cent in 1991 to 37,9 per cent in 1998.

In considering the question, “who are the poor?”, the strategy notes that household size, gender and child status are among the determinant of poverty:

- Household size – the incidence of poverty rises as household size rises – 80 per cent in 6-9 person household, rising further to 84 per cent in households with 10 persons or more.
- Gender – female-headed households are in fact poorer than male headed households highlighting that women are more vulnerable to poverty than are men. Women have lower levels of education than do men, have a very small share in formal employment (which is compensated higher than informal sector work), and are at higher risk than men of contracting HIV/Aids and other communicable diseases;
- Children – child poverty, evidenced through rising numbers of orphans, street children, working children and child-headed households - is a notable and growing phenomenon in Zambia
 - 16 per cent of children are orphans, and the number of orphans is highest in the rural areas where the incidence of poverty is highest.
 - Rising numbers of street children (estimated at 75 000 in 1996);
 - 28 per cent of children 12 – 19 years work to support themselves,

The main barriers to moving out of poverty in Zambia are identified as:

- *Lack of economic growth*, constraining the injection of significant resources into poverty reduction interventions
- *High inequality of income*, evinced by Gini-coefficient values of 0,5 or higher, is characterised by inequities in rural: urban, inter-provincial, and inter-social strata dimensions;
- *Heavy debt burden* has crowded out resources available for social spending – on average debt service accounts for 10 per cent of GDP, while spending on social sectors accounts for only 5 per cent.
- *Excessive external dependence* – heavy debt burden and inadequate levels of economic growth have led to an excessive reliance on external funding which constitutes 53 per cent of the national budget.
- *Lack of adequate expenditure prioritisation* in the budget process means that even within the limited available resources, poverty reduction interventions may not get their equitable share.
- *Inadequate social safety nets* – social safety expenditure has declined in real terms over the past few years and is increasing inadequate in consideration against the rising numbers of poor claimants
- *Rising burden of HIV/Aids* – estimates suggest that 20% of the population is affected by HIV/Aids.

Governance and Poverty Reduction

Chapter 3 is devoted to emphasising the link between good governance (political and economic) and government's efforts to reduce poverty.

The chapter highlights that “Bad governance imposes a particular burden on the poor and throws them into deeper poverty. Equally, poverty constrains the poor from participating in national development, leading to weak or poor governance of institutions. Good governance... is associated with larger growth rates and incomes for the poor. It follows that any strategy for economic growth and sustainable human development must encompass good governance in both its technical and representational forms..which involves participation, transparency and accountability:”.

Zambia has decided to focus on three key objectives in strengthening the link between good governance and poverty reduction interventions:

- Democratise decision-making through wider use of the consultative process;
- Ensure efficient, equitable and transparent management of public resources;
- Guaranteed justice for all.

Comment

Improving political, economic and judicial governance structures and processes is important for enhancing child poverty reduction as it strengthens the link between poverty reduction priorities, resource allocation and implementation. Child rights advocacy groups can therefore play an important role in taking this opportunity to engage government on the priority that children receive in the strategy, tracking the allocation of resources to interventions that address child poverty concerns and monitoring and evaluating the implementation of interventions.

PRSP National Goals and Objectives

The Zambian PRSP prioritises the revival of economic growth as the most important element of the strategy. It views economic growth as a powerful means to reduce, and even eradicate poverty over the long-term.

The strategy does acknowledge that rising inequality often associated with growth will be detrimental to its objective of poverty reduction. Hence, the strategy emphasises the importance of broad-based and sustainable growth that impacts meaningfully on poverty reduction in Zambia.

The PRSP therefore has a three year macroeconomic framework at the forefront, which is supported by the World Bank, IMF and other multi-lateral and bilateral supporters.

Focal areas for reviving economic growth include:

- *Raising the level and quality of investment and private sector activity* through privatisation, capital market development, and incentives to attract greater levels of foreign investment;
- *Promoting the productivity of the poor's assets* through support to informal sector activities, and improving access to assets to enhance agricultural productivity and income generation;
- *Promoting export growth* in agriculture, tourism, mining and manufacturing.
- *Growth-orientated fiscal policy choices* that support the targeted average real GDP growth target of 4,1 per cent – fiscal assumptions include stronger capital

expenditure, rising from 11,9% of GDP in 2000 to 12,7% in 2004; a falling deficit trend, culminating in a balanced budget in 2004 and 2004.

- *An enabling and growth enhancing monetary policy* that does not slavishly focus on high interest rates to attain single digit inflation;
- *Structural reform and infrastructure* by reducing the quasi-fiscal deficit caused by parastatal losses (i.e. introducing a hard budget constraint and improving fiscal management), improving public expenditure management, strengthening structural reforms in the energy sector and rehabilitation of infrastructure.

Given the priority given to enhancing economic growth and development, the Zambian PRSP is weighted towards revitalisation of the agriculture, tourism, mining and manufacturing sectors as the drivers of economic development. Economic revitalisation therefore receives prominence in the first section. The second section addresses priority social service sectors of education, health, water and sanitation, energy and transport and communication. Cross-cutting issues of HIV/Aids, gender and the environment are also raised here.

Given the indirect impact on child poverty of interventions in section 1, the analysis on child poverty implications refers to the section as a whole. In contrast, given the direct relevance of sector interventions for children in the second section, analysis is given after each sector.

Section 1: Revitalisation of Economic Growth and Development

Agriculture

Agriculture is a core and driving sector of the Zambian economy. Dominance of the sector means that strong agriculture growth enhances growth of the overall economy. Given that the majority of the population derive their living from agriculture, the sector also has considerable potential to reduce poverty in Zambia.

Rural poverty has been exacerbated by the failure of the agricultural sector to provide for secure livelihoods. Rural communities also suffer from inadequate access to basic health, water, education services and infrastructure.

The situational analysis of the agriculture sector is relatively extensive and comprehensive in its coverage. Key areas covered include:

- *Abundant agricultural resource base* – 12 per cent of the country is suitable for arable use but only 14 per cent of the arable land is presently cultivated. Zambia has considerable water resource from rainfall and groundwater sources.

Small-scale farmers are mostly subsistence producers of staple foods. Medium-scale farmers produce surplus maize and other cash crops mainly for the local market. Large-scale farmers produce for the domestic and international markets.

- *Dual land tenure system*, characterised by customary and leasehold. 94 per cent of total land in Zambia falls under the customary land tenure system that is controlled and allocated by traditional authorities. The leasehold system of the remaining 6 per cent provides for title deeds for a renewable period of 99 years.

Government has made efforts to mainstream gender in land policies and has reserved 30 per cent of allocations for women applicants.

- *Current agricultural policy moving toward liberalisation* – there is general agreement on the current policy of liberalisation in the agriculture sector, through the elimination of subsidies on maize and maize products, removal of price controls and tariff barriers, and abolition of state marketing boards.

However, lack of clarity in agricultural policy has weakened public-private sector partnership and created uncertainty in agricultural production and marketing.

There is weak capacity in the public sector to implement the liberalisation policies effectively and guide the sector into an efficient and internationally competitive sector.

- *Variable agricultural performance* – the sector's performance has fluctuated considerably, mainly due to high dependence on seasonal rainfall, reduced investments, high input costs (energy and fertilizer) and lack of competitiveness.

The PRSP interventions in agriculture are aimed at creating sustainable broad-based agriculture growth with the highest impact on poverty reduction. This entails:

- *Increasing the efficiency, competitiveness and sustainability of production* while ensuring enhanced food security and income generation;
- *Enhancing forward linkages* (that is linkages into food processing industries which tend to be labour intensive);
- Strengthening *backward linkages* (that is, linkages into input industries such as irrigation, energy and fertilizer production industries)

Rural development is at the core of the PRSP poverty reduction interventions as poverty is most prevalent in the rural areas. Rural focused interventions therefore include:

- Raising employment opportunities on part-time and full-time basis through large-scale agriculture, agro-processing and tourist ventures;

- Promoting self-employment through outgrower schemes;
- Enhancing small-scale business in farming, fishing, carpentry and other areas leading to increased income-earning activities in rural areas;
- Improving food security in subsistence farming through appropriate agricultural interventions;
- Strengthening social service interventions in education, health, sanitation and road infrastructure.

In this regard, priority interventions over the first 3 years of PRSP implementation include:

- *Improving the finance and investment climate by:*
 - Establishing an agricultural development fund;
 - Improving access to credit and insurance services;
 - Increasing the volume of credit at affordable rates;
 - Increasing private sector investment;
 - Establishing the financial infrastructure for rural credit, especially for outgrower schemes;
 - Enacting and enforcing legislation and regulations for sustainable management of financial systems.
- *Improving the marketing trade and agricultural-business climate by:*
 - Identifying and promoting products with comparative advantage;
 - Developing agricultural export zones;
 - Identifying and developing export-oriented livestock disease-free zones
 - Orienting extension staff and public support services towards market-based (as opposed to subsistence-based) agriculture;
 - Promoting crop diversification among small-scale farmers;
 - Promoting high-value crop diversification;
 - Improving agro-processing in forward-linkage industries;
 - Strengthening efficient private sector input supply and output marketing agencies as well as market information systems;
- *Improving land and infrastructure development by:*
 - Establishing a land information centre and identifying and demarcating suitable land for resettlement and farm blocks;
 - Constructing and maintain main and feeder roads, rural dams and irrigation facilities, telecommunications and electricity provision in high potential agricultural areas.

- *Improving technology development and dissemination by:*
 - Establishing a technology development fund to adapt demand-driven technology for increased production of products that are competitive on the international market;
 - Strengthening livestock disease monitoring and eradication measures;
 - Improving irrigation practices
- *Establishing targeted support system for food security by:*
 - Promoting the use of low-input and conservation farming technologies;
 - Providing extension and input services to selected target farmers.

Industry

The manufacturing sector (including agricultural and mining activities) is pivotal for economic growth and poverty reduction prospects in Zambia. It averages about 10 per cent of GDP and employs about 11 per cent of formal sector labour.

Growth in the manufacturing sector generates a demand for agricultural inputs, which raises production and income generation in the agricultural sector, creating a virtuous spiral of increased economic activity and improved livelihoods. Similar linkages exist in other primary industries such as mining.

The Zambian manufacturing industry grew rapidly following independence due to the set up of new manufacturing plants, greater capacity utilisation and an increase in the supply of raw materials. Most of the growth was in food, beverages, tobacco, textiles, leather products, wood and wood products. A key feature of this industrial expansion was the high dependence on copper export earnings from the mining sector to provide money for importing raw materials.

The decline in the mining industry, particularly copper, combined with trade liberalisation exposed the high input cost and low product quality weaknesses of the Zambian manufacturing industry. Inefficient producers were unable to compete on both the domestic and export markets due to a number of constraints, including narrow export base, lack of effective long-term capital, high cost of fuel and electricity and inadequate infrastructure.

Consequently, firm closures and downsizing operations have contributed to increased unemployment and rising poverty levels, particularly in urban areas, and limited opportunities for urban and rural small businesses and the informal sector to generate income and create employment.

Specific objectives for revitalising manufacturing development therefore include:

- Promoting investments in both urban and rural areas that primarily utilise local raw materials;
- Encouraging output and employment expansion in the sector by promoting growth in manufactured exports;
- Promoting growth in small and medium-sized enterprises;
- Promoting an enabling environment with respect to competing imports, efficient utilities in energy, transport and telecommunications, skills training, science and technology development that are conducive to manufacturing growth.

Key priority interventions for manufacturing under the PRSP include:

- *Promoting domestic and foreign investment by:*
 - Producing geographically disaggregated resource endowment maps to assist potential investors to easily identify available resources;
 - Encouraging investors to add value to the agricultural goods being produced in the vicinity – these include sugar, coffee, paprika, fruits, cashew nuts, cotton, rice and maize;
 - Facilitating public-private partnership investments;
 - Encouraging the rehabilitation and expansion of energy, road, transport and communications infrastructure to support investments in manufacturing;
 - Encourage local authorities to develop industrial parks for leasing to domestic and foreign investors;
- *Promoting science, technology and research development* to facilitate increased adoption and adaptation of new technologies in Zambian industry by:
 - Encouraging increased science and technology research by rehabilitating science and technology development institutions;
 - Offering special tax and non-tax incentives to private sector firms that fund science and technology development;
 - Strengthening the coordinating role of government science and technology research and vocational institutions
- *Enhancing the development of micro, small and medium enterprises by:*
 - Facilitating training and re-skilling in entrepreneurial skills for those that are retrenched from formal sector employment;
 - Supporting the construction of industrial parks for leasing to micro, small and medium enterprises (MSMEs);
 - Encouraging the development of intermediate input supply linkages between MSMEs and large business

- Encouraging public sector procurement of goods and services from MSME's, particularly in the education and health sector;
- Reviewing and amending legislation and regulatory frameworks that apply to MSME activity;
- Encouraging participation of women and youth in private and public credit schemes.
- *Enhancing rural industrialisation and development by:*
 - Promoting private sector investments that emphasise rural-based manufacturing, especially agro-processing
 - Rehabilitating and constructing farm-to-market roads to improve access to market centres for agricultural producers;
 - Facilitate energy provision to MSMEs in rural areas.

Tourism

Zambia's long-term vision for the tourism sector is "to ensure that Zambia becomes a major tourist destination of choice..which contributes to sustainable growth and poverty reduction".

Zambia has considerable natural tourist resources in the area of eco-tourism. These include abundant wildlife and rich cultural and natural heritage sites. There are 19 national parks and 34 game management areas, but only 5 per cent of these have been developed for tourism.

As a labour-intensive industry, tourism has considerable potential to create jobs for local people. It also stimulates entrepreneurship and creates opportunities. Given that the majority of tourist resources exist in rural areas through eco-tourism, the sector plays an important role in rural development through job creation, rural and infrastructure development, community development and strengthened MSME activities.

The rapid growth of tourism in Zambia has been constrained by several factors.

These include:

- Inadequate infrastructure, in respect of underdeveloped road and rail network, airport facilities, telecommunications;
- Inadequate marketing of Zambia as a tourist destination
- Poor community participation, inhibiting effective implementation of tourism programmes;
- Lack of affordable financing for long-term development – this includes insufficient private and public sector investment in the tourist sector;

- Lack of professionally trained and skilled people to meet the tourist hospitality and service expectations;
- High cost destination due to high travelling costs to reach Zambia;
- Lack of adequate health facilities for tourists;

Zambia's tourism policy is based on three pillars:

- Strengthening private-sector driven development of tourism initiatives and the implementation of investment plans;
- Encouraging environmentally sustainable development and growth;
- Creating an enabling environment for private sector participation; providing adequate infrastructure and encouraging community involvement aimed at reducing poverty in tourism development areas.

Over the next three years key PRSP interventions in the tourism sector include:

- *Priority to development zones* – In the first phase of the PRSP, five high growth development zones have been identified for basic infrastructure rehabilitation. These include: Livingstone, Victoria Falls and surrounding areas; Kafue National Park and game management area; lower Zambezi, Lusaka, and the Luangwa region.
- *Promoting investment in the development zones* – local investors will be encourage to partner with foreign investors;
- *Strengthening marketing activities and setting up of a tourism database* to monitor the contribution of tourism to the economy
- *Routine maintenance of all infrastructure* in tourist areas
- *Improving human resource development and training* in tourism
- *Rehabilitating museums and heritage sites* to raise their tourist potential.

Mining

For 70 years, the mining sector, particularly copper mining, has been the main engine powerhouse of the Zambian economy, with mineral exports contributing 70 per cent of foreign exchange earnings.

Over the past two decades, however, copper production has declined due to declining copper ores (resources), inadequate re-investment into new and existing mines, and poor management practices.

In order to boost the mining sector, the Zambian government has initiated a comprehensive restructuring programme aimed at promoting private-sector led development in the mining sector. Privatisation of the sector was complete in 2000.

Mining remains a critical sector for economic growth and poverty reduction in Zambia. Contributing between 6-9 per cent of GDP and providing 40 000 formal sector jobs, the sector has important inputs for agriculture and agro-chemicals, industrial manufacturing of chemicals, paint, etc, and for road and telecommunications development.

Of critical note however, is the external environment influencing mining. The demand (and therefore price) of copper is sensitive to the levels of industrial production in the major industrialised countries and therefore dependent on the strength of the global economic recovery.

Also, international production costs are being reduced by the adoption of major technological advances in production. Zambia, on the other hand, remains a high cost producer, reducing international competitiveness.

Long-term decline in copper prices will therefore contribute to continued reduction in copper production in Zambia unless extraction methods become more efficient.

Notwithstanding this, the mining sector does hold considerable potential if new mines are opened and existing mines recapitalised.

Gemstone mining holds further potential for enhancing small scale mining and rural development. However, the sector is constrained by lack of appropriate credit facilities, infrastructure and valuation skills.

Over the next three years, PRSP interventions in mining will focus on:

- *Small scale mining:*
 - *Diversification of small-scale mining* to broaden the focus from gemstones to include agro and industrial minerals. The programme aims to make available adequate geographical data to small-scale miners; enhance business skills, improve access to adequate capital and equipment, equip small scale miners with the necessary safety, valuation and processing skills, enhance access to markets and facilitate road access to mining areas.
 - *Re-introduction of the Gemstone Exchange Scheme* will reduce the illicit trafficking of gemstones by re-introducing an appropriate market forum for the trading of gemstones;
 - *Introduction of plant hire* facilitating the leasing of equipment to small-scale miners
- *Large scale mining* activities will only be considered in the 2nd PRSP phase

- *Infrastructure development* that entails the rehabilitation of road and rail networks on the copperbelt
- *Lumwana Copper Project* involves the development of mines and enabling infrastructure in Lumwana

Comment on Section 1

The first section focuses on revitalisation of production and development in the agricultural, industry, tourism, and mining sectors. The section is most comprehensive in its approach. Each sector is introduced and the situation and context of sectoral performance, identified problems are contextualised. This facilitates integration of the identified PRSP interventions that are considered critical to raising sectoral performance and enhancing broad-based growth and development.

As mentioned in commentary on other regional PRSPs, enhancing production in key economic sectors, particularly agriculture, is critical to raising investment and job creation in the economy. Access to wage income through job opportunities is a key element to any sustainable poverty reduction strategy. Improved income generation and food security in poor households are critical to improving the living situation and future economic opportunities for children living in these households. The poverty situation of children is lessened in households where there is access to wage or subsistence income and improved access to basic and social services.

However, notable in all strategies reviewed is the lack of identification of children as a specific focus for economic activity. It is likely that in poor rural households where the majority earn their living from the land, that child labour is a common and necessary practice for most families. In most agrarian economies therefore, issues of child labour and exploitation are critical areas of concern.

Child labour issues do not only arise in the agriculture sector. Exploitation of low-wage child labour may become an increasing concern in the industrial and tourism sectors, given the lack of legal and regulatory protection afforded to children.

Furthermore, rising tourist industries in many developing countries are associated with increased incidence in child trafficking and their sexual exploitation. Child protection legislation and services (child protection police units, judicial services and social welfare services) are critical in these instances. The Zambian PRSP is silent on these issues.

A key area for improvement in the strategy therefore would be to focus on the issue of child labour. It is therefore recommended that child-focused research and advocacy efforts draw attention to the incidence, trends and situation of working children in Zambia. The issue of child labour should be linked closely to educational policies and practices. Household poverty and therefore child poverty may be exacerbated by outright legislation of child labour, particularly in an agrarian economy. Rather, the issue is about exploitation of working children and the provision of appropriate educational policies. And as noted above, priority should be given to child protection concerns and improving related services.

Second section: Social and economic services targeted towards poverty reduction

Education

The Zambian PRSP denotes that poverty in education manifests in the following education situation in Zambia:

- Low enrollments, low progression through the education system, and high dropout rates;
- Poor performance and poor attendance because children are engaged in income-earning activities to supplement family income (a key indicator that there is a high degree of child labour in Zambia), tending to sick family members, and live long distances away from the school;
- Poor learning environments and lack of opportunities for appropriate skills training;
- Lack of adequate nutrition among learners, acting as a constraint to cognitive development;
- Demotivation and poorly qualified teachers, particularly in rural areas;
- Significant gender disparities resulting in poor access to schooling for girls.

In line with its commitment to provide Education for All, Zambia initiated the provision of early childhood development (ECD) programmes for children between 0-5 years, with the emphasis on community based interventions. Enrollments were targeted to increase from 2 per cent in 1990 to over 25 per cent in 2000. But in 1998, only 8,4 per cent of children entering Grade 1 had participated in ECD programmes. This average masks significant geographic disparities, with only 2,7 per cent of rural children having access compared to 23,6 per cent of urban children.

The Basic Education Sub-Sector Investment Programme caters only for Grades 1-7 – that is primary education and not secondary schooling. Access is not universal

(note: numbers of enrollments are quoted rather than percentage of eligible children) and drop out rates are high.

Inadequate numbers of teachers exacerbates inadequate priority given to education. The teacher training system produces about half of the number of teachers required. In addition, there is a high attrition rate of teachers due to the impact of HIV/Aids, poor salaries and lack of housing provision, particularly in rural areas.

Secondary schooling has not been prioritised at all in respect of expansion, rehabilitation, learner support materials (textbooks) and curriculum review. This has led to poor quality of teaching and education at secondary level. At present, less than 50 per cent of primary school leavers enrol at the secondary school level. Similarly, progression from grades 9 to 10 varies from 16 – 20 per cent. These figures point to extremely high inefficiencies in the Zambian schooling system.

Over the next three years, PRSP interventions in education will focus on 6 programmes, 3 of which are new programmes:

- *Extension of the Basic Education Sub-Sector Investment Programme (BESSIP) to Grades 8 and 9.* The rationale for extension to grade 9 only is that learners at the age of 15 are eligible to find work. Components that will be extended include infrastructure development, learner support materials (text books) teacher development and compensation, gender equity, curriculum development and addressing the impact of HIV/Aids. The programme will also include mainstreaming of early childhood development programmes to improve cognitive development and school attainment rates (leading to reduced drop out and repetition rates).
- *Revamping the integrated functional literacy programme* – the focus will be on increasing coverage and quality of the programme. Opportunities will be created for literacy graduates to continue their education through distance learning, night school and other modes.
- *Improving skills training for the formal and non-formal sectors* through improved organisation and management of the further education and vocational training sector, training systems, trade testing and examinations, human resource development, management information systems, etc. The sector will also review the curriculum to respond to the need to train people in entrepreneurial skills, crafts training etc. Financing is based on cost sharing, although there are bursaries available.

The new PRSP programme interventions include:

- *Equity programmes, particularly the Programme for Advancement of Girls Education* and bursary scheme for basic school level. This includes review and expansion of the bursary scheme to girls, continuing education and skills training, abolishing school uniforms and fees at the basic level, distribution of resources based on numbers of learners and per learner cost, development of guidelines for cost sharing for levels other than basic schooling.
- *High School Improvement Programme* referring to Grades 10-12. This programme aims to improve quality and increase access to high school education. Key components include curriculum review, advanced skills training, infrastructure development, learner support material (textbook) development and distribution, teacher development and compensation, school health, nutrition, water and sanitation, and HIV/Aids education.
- A new *Tertiary education* programme aims to increase access, improve the quality of education and review curricula to make graduate skills more responsive to the needs of the labour market
- *Integrating Education administration*. The provision of education has been fragmented among several providers. To improve coordination in the sector, a National Education sector Authority will be established to strengthen partnerships between providers and improve coordination.

Key elements of the PRSP interventions that cut across all of the 6 programmes above include:

- Increased funding for the education sector;
- Provision of competent and qualified teachers;
- Improvements in the conditions of service for education, including housing provision
- Provision of free and compulsory basic (primary) education for all;
- Improving the coverage of early childhood education programmes;
- Ensuring special learning opportunities for out-of-school children and illiterate adults;
- Improving equity in access to education, particularly for girl children;
- Improving progression rates from primary school to high school, particularly for girl children.

Comment

The education section is highly fragmented and does not put forward a coherent plan for restructuring of the education system. Given that education is a key intervention for improving skills and future economic opportunities for children, the provision of basic and secondary schooling is a fundamental element of child poverty reduction.

The focus on free primary education and early childhood development programmes is positive. However, the strategy does not address data, targets or interventions to improve disparities in access to education (geographic and gender), quality and efficiencies. Critical indicators to monitor are regional and gender enrolment rates, repetition and drop-out rates, learner: teacher ratios and classroom:teacher ratios, regional variations in expenditure per learner and in expenditure on textbooks for learners. The strategy does not address these issues at all.

Of key concern is the impact of cost sharing or user fees for secondary education. This restricts access to secondary education, a critical requirement of the labour market and particularly important for skill development in a competitive economy.

The lack of attention to secondary schooling highlights the low priority given to poverty reduction interventions vis a vis growth interventions in the Zambian PRSP.

It is suggested that child advocacy groups undertake appropriate research and development of the education sector to raise the priority and coherence of the education interventions in the Zambian PRSP.

Health

Zambia has been implementing health reforms since 1992 under the framework of the Sector Wide Approach (SWAP). In the SWAP, government and donor resources are pooled in order to direct resources to the areas of greatest priority and use resources more efficiently.

Despite these efforts, health status indicators in Zambia are deteriorating:

- Life expectancy at birth has fallen to 37 years;
- Infant mortality has increased to 109 per 1000 and under 5 mortality to 197 per 1000;
- Stunting among children has risen to 42 per cent;
- National HIV prevalence rates are stabilising at 29 per cent in urban and 14 per cent in rural areas. However, Aids and Aids related diseases have become more prominent as the epidemic progresses with the number of households experiencing chronic illness and death rising to 17 per cent of urban and 12 per cent of rural.

The Zambian health sector is therefore faces declining real resource allocation, prudent resource management and an escalating disease burden.

Decentralisation of health services is enhanced by the development of appropriate resource allocation criteria for districts and hospitals. This includes:

- District level – an allocation of resources on per capita basis and weighted for population density, fuel, health and disease profile.
- Hospital services – allocation to hospitals is based on cost per bed-day. Standard bed/population ratios are used to determine the number of beds per given population.

The introduction of user fees in 1993 has resulted in significant decrease in the utilisation of health services, particularly antenatal and family planning services as well as those for under 5 children. Most alarming was the 76 per cent fall in attendance for Sexually Transmitted Disease treatment.

Although Zambia has prioritised free primary or first level care, the lack of proper referral to primary health care facilities and limited resources have led to user fees being retained.

The Zambian government has implemented the following to make cost sharing more equitable:

- *Exemptions* to Children under 5 and adults over 65 years, people with TB, HIV/Aids, STDs, cholera and dysentery; maternal and family planning services, immunisation and treatment of chronic hypertension and diabetes.
- *Safety Net/ Health Care Cost Scheme* that refers chronically ill who cannot pay to the District Social Welfare system. However, this system has not functioned well and only served to limit access to health services for those that cannot pay.

Distance to health facilities and lack of appropriate transport are further factors constraining utilisation of health services, particularly for maternal and child health care. This is also a concern for adolescents access to sexual and reproductive health services. In recognition of these constraints, Zambia has focused on promoting community-based health care as a complement to extending physical infrastructure and bringing services closer to people.

Nutrition indicators are also on a deteriorating trend, reflecting rising poverty levels. As noted, average stunting rates have reached 42 per cent. Urban areas have experienced faster rises in stunting rates over the 1990s although urban rates are still higher – around 60 per cent.

Vitamin A deficiency rates have risen to 65,7 per cent among children and 21,5 per cent among women, and over 70 per cent of the population has been categorised as being vulnerable to food insecurity.

The PRSP prioritises the following health interventions over the next three years:

- *Implementing a basic health care package* that is targeted to the poor has the greatest potential to impact on health status indicators. Specific attention will be paid to reviewing the cost sharing mechanisms improving the current exemption schemes;
- *Resource allocation criteria* will be reviewed to give more weight to poverty issues;
- *Procurement reform* is aimed at raising efficiency of drug procurement;
- *Prioritising* the following:
 - Malaria;
 - HIV/Aids and TB
 - Integrated Reproductive Health
 - Child health;
 - Improved monitoring and detection of epidemics;
 - Hygiene, sanitation and water.
- *Support services* focusing on rehabilitation of physical infrastructure and medical equipment and human resource development
- *Strengthen nutritional interventions* by:
 - Strengthening the institutional capacity of the National Food and Nutrition Commission;
 - Extending coverage of nutritional safety nets targeting infants, young children and HIV/Aids persons.

Comment

Similarly to education, the section on health is weak and fragmented, showing low priority accorded to poverty reduction interventions in the strategy. Access to quality, basic health care is a core element of any poverty reduction strategy.

While the Zambian PRSP does acknowledge the decline in key health and nutrition status interventions, the approach set out is fragmented and ineffective to address the scale of the health concerns.

Isolated services and nutrition interventions will not address the health care requirements of Zambia. What is required is a comprehensive health sector

reform programme that addresses the interlinked primary, secondary and tertiary health care system.

Equally, there is no data or attention given to access to services – clinics per population density, regional variations, medical personnel per population density etc. These indicators are significant to the relative access to health care services, particularly in respect of primary health care that is important for children.

Also notable is the implementation of a basic health care package but on a cost-sharing or user fee basis. User fees reduce access of the poor, and particularly women and children to health services. There is a range of exemptions from the user fees, of which children are a key group. However, practical experience of whether this is implemented and does not restrict poor children's access to services is not available.

Rather, what is needed is a complete health restructuring programme – appropriate referral systems that refer basic and preventative health care cases from high cost specialised hospital care to lower cost primary health care centres, appropriate revenue allocation, and improved access and quality of care at primary health care clinics at no user charge will improve children's access to health care.

Water and Sanitation

Zambia is endowed with abundant water resources through adequate annual rainfall and an extensive river network. Yet access to safe, clean water is estimated at 89 per cent in urban areas and 37 per cent in rural areas. Sanitation is estimated at 73 per cent in urban areas and 68 per cent in rural areas. These figures mask significant regional variation, pointing to high numbers of unserved households in rural areas and poor urban areas.

In recent years, water and sanitation infrastructure projects have received considerable support from multi-lateral and bi-lateral funders. However, most major urban projects deal with water supply, rather than sanitation and focus on commercial rather than poor household provision.

Issues constraining effective development and management of water services in Zambia include:

- Weak legal and institutional framework for water resource development and management and for rural and low income urban water and sanitation service provision;

- Inadequate data and management information on water resource and service ;
- Limited human resource capacity;
- Inadequate and unpredictable funding sources and relatively low and declining budgetary share allocation;
- Large unserved population in rural and poor urban areas;

This means that poor households have extremely limited access to safe water supplies and adequate sanitation facilities. This has contributed to the annual outbreaks of water-borne diseases, such as cholera, among poor communities.

Expansion of services by commercial water utilities is constrained by lack of access to working capital, billing and collection difficulties.

PRSP interventions related to water service provision (rather than water resource management) are aimed at ensuring access to safe water and sanitation and increased food security for poor rural and urban households. Priority interventions include:

- *The Rural Water Supply and Sanitation Intervention:*
 - *Establishing effective institutional structures and strengthening human resource capacity at provincial and district level* to improve operation and maintenance of rural water supply and sanitation projects;
 - *Establishing a new programme to target provision to 500 000 rural people that have inadequate access to safe water supply and sanitation.*
- *The Urban Water Supply and Sanitation Interventions:*
 - *Commercialisation of water and sanitation services* under ongoing water sector reforms will continue. This will improve the institutional mechanisms that will over time support enhanced service provision to the urban poor
 - *Ongoing rehabilitation and improvement of water supply and sanitation services in urban centres will continue under committed donor funding* and include extension of services to an additional 2,5 million people.

Comment

Access to safe, clean water is essential to child health and nutrition. Current policy in Zambia appears to benefit commercial concerns, confirming the priority given to economic revitalisation rather than poverty reduction.

What is also notable here, is the reliance on donor funding for water and sanitation provision. This tends to reduce the priority and commitment of the government itself to improving access to water and sanitation for poor communities in the budget. It

also raises uncertainty and fluctuation of funding to the sector, reducing investment and maintenance of water and sanitation infrastructure.

The rural and urban poor water and sanitation programmes are critical to raising basic service level to children living in poor communities. It is therefore important to raise awareness of indicators of access to water and sanitation services from household or living standards surveys, and to understand the intergovernmental resource allocation and management of the operation and maintenance of water and sanitation infrastructure.

Energy

Energy and poverty are related. Increasing access to modern energy services and efficient modes of use will improve the living conditions of poor Zambians in rural and urban areas. Low income households tend to rely on basic forms of energy such as firewood and charcoal. These lead to indoor air pollution which affect the health and environment of poor communities.

The focus of the PRSP is on the energy resource base and sector, rather than on provision of energy to the poor. The PRSP interventions focus on:

- Rehabilitating and refurbishment of the current energy delivery infrastructure
- Creating new energy delivery infrastructure through building new power stations, transmission lines etc
- Targeted interventions, such as the rural electrification programme, that aim at increasing access to electrification and promoting alternative technology, such as solar energy.

The rural electrification programme is the only intervention that is targeted to poor households. Less than 20 per cent of the population has access to electricity. To improve the situation, the Zambian government created a rural electrification fund in 1994 that is funded by a levy on electricity consumption.

Key issues include identification of low cost options for rural electrification, grid extension and the use of solar energy.

Transport and Communication

Transport and communication play a critical role in the Zambian economy. On average, it contributes 3,2 per cent to real GDP growth. Transportation costs account for between 60-70 per cent of the cost of goods and service production. This is high in comparison to costs in the region and reduces Zambia's export competitiveness. Appropriately designed, located and priced transport is also critical for reducing

poverty as it connects poor communities to economic centres and enables them to become economically active.

The main modes of transport in Zambia are rail, road, air and inland waterways. The decline of mining and agriculture has reduced the volume of rail transport. Together with a lack of maintenance, this contributes to the deterioration of the rail network and inefficient rail services. The road network is therefore used for cargo haulage (60 per cent of all cargo), leading to increased pressure on roads, and increased deterioration of the road network due to lack of necessary maintenance. This is compounded by erratic flows of funding to the road sector.

For poor communities, the deterioration of rural feeder roads inhibits their mobility and accessibility to farm inputs and other social amenities, such as schools and clinics. This serves to deepen poverty in rural areas, and a considerable number of poor rural people are forced to walk long distances to health centres, schools and other social amenities.

The primary goal for the PRSP interventions in transport is to support economic growth by investing in new infrastructure and maintaining and rehabilitating existing infrastructure in support of economic growth and poverty reduction.

This includes investments in:

- *Railways:*
 - Ensuring maintenance and rehabilitation of rail infrastructure;
 - Improving railway efficiency through concessioning to the private sector;
 - Investing in new railway connections for areas that will be economic production growth sectors, such as mining;
- *Roads*
 - Rehabilitate and maintain road infrastructure;
 - Investing in new road connections for new mining areas, such as Lumwana
 - Invest in roads for growth of the tourist sector.
 - Improving planning, management and financing of rural road transport and the upgrading of rural road infrastructure;
 - Working with communities to establish sustainable approaches to rural transport
 - Facilitating the introduction and promotion of appropriate motorised and non-motorised transport aimed at improving mobility in rural areas.

Comment

The sections on energy and transport are completely orientated to the demands of economic revitalisation and only pay lip-service to programmes and interventions that raise poor communities' access to electrification and transport.

Monitoring indicators that address the percentage of households that use electricity for cooking, lighting and heating is a key access of quality of life, as traditional energy sources such as coal and wood are inefficient, costly and detrimental for the environment.

Similarly, priority given to road and rail infrastructure investment and maintenance near economic activity is noted in comparison to the lack of focus of access of poor communities to economic centres. Important indicators here would be the distance that children need to travel to school and the modes of travel? Are there school bus or subsidised school transport? How far is it to the nearby clinic? These questions raise the focus on the access and mobility of poor rural communities to education, health centres and centres of economic activity.

Cross-cutting issues

The last part of section two deals with cross-cutting issues of HIV/Aids, gender and the environment. The first is dealt with here as it is the most relevant for child poverty reduction.

HIV/Aids

Currently 20 per cent of the adult population aged 15 to 49 are living with HIV/Aids. About 8 per cent of boys and 17 per cent of girls age 15-24 are HIV positive. There are an estimated 600 000 Aids orphans projected to reach 974 000 in 2014.

The impact on the Health system is considerable. It is project that Aids patients will use 45 per cent of hospital beds in 2014 crowding out other patients. Estimates suggest that \$200 per capita is needed for Aids care against current health per capita expenditure of \$3.

The PRSP priority interventions are:

First level programmes:

- Reduce new HIV infections by promoting safe sex practices and condom distribution among the high risk groups such as youth, men, sex workers and prisons.

- Reduce the socio-economic impact of HIV/Aids by increasing access to voluntary testing and counselling, community and home based care programmes, and anti retroviral treatment
- Improve the quality of life for orphans and other groups of vulnerable children – many of these programmes are not aimed at orphans themselves – rather at high risk groups that are most likely to be at risk from HIV/Aids – and increased support for care-based NGOs.

Second level programmes

- Improve management and treatment of STDs.
- Expand coverage and access to prevention of mother-to-child transmission programmes – there are 10 health centres in 3 out of 72 districts implementing the programme. This reaches 10 000 women. Expansion of the programme over the next 4 years will target 450 000 women.
- Increasing increase of Prophylaxis to treat TB case

Comment

While the section on HIV/Aids in the Zambian PRSP is stronger than that in the other PRSPs reviewed, the extent of the epidemic and the low level of resource commitment raises concern on the impact of the interventions proposed. This said, the Zambian PRSP does propose a level of credibility in the first and second level of priority interventions, the former focusing on preventative measures and the latter on curative and treatment measures.

Mozambique Poverty Reduction Strategy Paper

Introduction and Overview

The Mozambican Poverty Reduction Strategy Paper has been developed at a critical juncture of the country's history. The country has emerged from long years of civil war and has entered a period of reconstruction in terms of political democracy, social structures and economic development.

The *Action Plan for the Reduction of Absolute Poverty (PARPA) 2001-2005* explains the strategic vision for reducing poverty in Mozambique, the main objectives, and the key actions to be undertaken in terms of the State's medium-term and annual budgets, policies and programmes.

It is interesting that the PARPA is branded as a "rolling and dynamic programming instrument". This is forward thinking, as the strategy then becomes a dynamic, living tool – one which responds to changes in the external economic environment and to internal political and social challenges.

The overarching objective of the PARPA is a "substantial reduction in the levels of absolute poverty in Mozambique through the adoption of measures to improve the capacities of, and the opportunities available to all Mozambicans, especially the poor."

The specific objective is to reduce the incidence of absolute poverty from 70% in 1997 to less than 60% by 2005 and less than 50% by 2010.

Poverty profiling identifies the following as the main determinants of poverty:

- Slow growth of the economy until the early 1990s.
- Low levels of education and skills, particularly among women.
- High dependency rates in households;
- Low productivity in the family agricultural sector.
- Lack of employment opportunities within and outside of the agricultural sector.
- Poor infrastructure, particularly in rural areas.

Analysis points to the high degree of vulnerability of the poor to natural disasters and economic shocks. This presents a dynamic view of poverty, where those that are poor fall further into the poverty trap as they lack the assets and capabilities to cope with natural disasters or economic shocks. This is highlighted by the deprivation and acute poverty caused by the widespread floods of 2000.

The PARPA is built on the assumption that peace and political stability will maintain in Mozambique over the medium-term. This enables the strategy to broaden the strategy from a short-term poverty alleviation focus to a medium- to long-term focus on poverty reduction through policies that sustain high levels of broad-based economic growth.

The PARPA is therefore built on six priorities or pillars aimed at poverty reduction, human development and rapid economic growth. These are:

- Education
- Health;
- Agriculture and rural development;
- Basic infrastructure;
- Good governance; and
- Macroeconomic and financial management.

The strategy is not limited to these six priorities but reaches further to cover complementary activities including targeted social welfare programme, housing, sectoral policies and programmes that contribute to income generation and job opportunities (business development, fisheries, mining, industry, tourism), programmes to reduce vulnerability to natural disasters, and policies that support sustainable growth (transport and communications, technology, environmental management).

The Mozambican PRSP is one of the notable few PRSPs that aim to integrate the strategy with a budget framework of resource requirements through medium-term budgetary programming.

Mozambique has implemented a medium-term fiscal scenario (CFMP) or medium-term expenditure framework that aligns expenditure choices to its macroeconomic framework. The CFMP aims to ensure that the distribution of resources is in line with Government's strategic priorities and that expenditure is both affordable and sustainable in the medium term. The CFMP therefore is the primary tool that the government will use to rationalise strategic interventions that are directed towards poverty reduction, ensuring that limited public resources are channelled to priority areas.

Resources available from budgetary revenue are projected to rise from 12% of GDP in 2000 to 16-17% by 2010 through tax reform aimed at increased efficiency of collection. External resources are expected to remain stable at about USD 540

million a year, reducing dependency on external resources from 14% to approximately 8,5% in 2010.

The medium-term expenditure framework has a 5-year time horizon and reflects the government's commitment to strengthen the allocation to resources to priority sectors to 74% by 2005.

The use of medium-term budgeting is not of direct relevance to children. Rather, what is important is that poverty reduction priority interventions are costed, prioritised in the resource allocation process and budgeted for in an affordable and sustainable manner over the medium term.

The consultation process for the PARPA was wide and included:

- Consultation at the sectoral level on strategic plans, priorities, constraints, resources and actions planned as well as their effective implementation;
- Consultation and dissemination (at the central and provincial level) of analytical documents and strategies for economic and social policy (poverty profiles);
- Long-term consultations

It is unlikely that, unless specifically mentioned, children's advocacy groups were consulted on the appropriateness and applicability of the strategy for children. This is a key focal point of action for children's advocacy groups in Mozambique as the strategy moves forward.

Poverty Profile

The PARPA defines poverty as a multi-dimensional phenomenon. Specifically, poverty is defined in the strategy as the "inability of individuals to ensure for themselves and their dependents a set of basic minimum conditions necessary for their subsistence and well-being in accordance with the norms of society.

Poverty measurement in the PARPA is more extensive than in other PRSP poverty profiles. Three measures were used in the assessment studies on absolute poverty in Mozambique. These measurements facilitate more extensive and in-depth analysis of the poverty demographics and changes in poverty trends over time. The measures are:

- The *Headcount index* which measures the portion of the population defined as poor (whose income or consumption expenditure is below a said poverty line)

- The *Poverty gap index* that considers the average distance below the poverty line expressed as a proportion of that line. Here the average is based on the total population. This index facilitates measuring changes of time to the income of the poor even if the headcount index remains the same.
- The *Squared poverty gap index* is the average of the square of the proportional poverty deficits. This measure is sensitive to inequalities between the poor and to changes in these inequalities.

Analysis of the 1996/97 Household survey (IAF). The rate of absolute poverty (using the headcount index) reached 70%, with a higher incidence of poverty in rural areas (71%) compared to urban areas (62%). About 80% of the population is rural.

A snapshot poverty profile of Mozambique presents:

- Very poor and poor households are larger in size (6,1 and 5,6 individuals) than non-poor households (3,6) and have higher dependency rates (61% and 58%) than the latter (48%);
- 13% of very poor and 14% of poor household heads have completed primary or higher education in comparison to 25% of non-poor household heads;
- In very poor (and poor) households, 49% (63%) of boys and 32% (51%) of girls of children under the age of 11 have completed schooling up to the requisite level. This compares to 75% of boys and 66% of girls in non-poor households. These incidences point to the highly inequitable access to schooling for girls across the income distribution.
- In terms of health indicators, the prevalence of chronic nutrition is 45% among the very poor, 44% among the poor and 42% among the non-poor, indicating the adequate food security is a priority across the income distribution;
- With respect to agriculture and land ownership, almost all rural households have access to at least a plot of land to farm on, but the non-poor tend to use more inputs or equipment and to have more irrigated land than the poor. This is reflected in the low levels of agricultural productivity and low levels of marketed output among rural households;

Regional and provincial poverty profiles highlight the extent of regional differences in respect of socio-economic indicators.

The strategy notes that poverty mapping processes are underway, integrating data from the 1996/97 household survey with the 1997 Census. This will enable poverty mapping down to the district level.

The section on demographics project the Mozambican population to reach about 19,4 million by 2004. The impact of HIV/Aids is highlighted, particularly as regards the expected decline in life expectancy from 42,3 years to 35,2 years in 2005.

Comment

Focusing on children, a major weakness of the poverty and demographic profile is the absolute lack of focus on the demographics and poverty situation of children – a key vulnerable group in most developing countries.

The poverty profile does not directly identify the demographic profile of the population, highlighting the numbers and proportion of the population that are under 18 years, nor does it identify the gender proportions. Children are indirectly referred to in respect of household dependency rates and fertility rates (declining from 5,9 children per woman in 1997 to 5,3 in 2005. However, the lack of a specific focus on the poverty profile reduces the focus on child poverty concerns and poverty reduction interventions throughout the entire strategy.

The strategy would therefore benefit from a direct focus on the demographics and poverty situational analysis of children to determine the appropriate policies and interventions as well as the most appropriate targeting approaches that would have the greatest impact on reducing child poverty in Mozambique.

Macroeconomic context

Mozambique saw high levels of annual real GDP growth in excess of 10% (off a low base) between 1996 and 1999, while inflation fell to single digits during this period.

The floods of 2000 were a shock to the economy, reducing estimates for growth to about 2,1 % for 2000 and inflation rising to 11%.

In the medium-term, economic growth is expected to resume and average a broad-based growth rate of 8% per annum, increasing national income per capita and private consumption by at least 5%, with inflation coming in a band of between 5-7%.

Critical to these projections, but which has not yet been factored in, is the impact of HIV/Aids. The epidemic is expected to lower GDP growth by 1% per annum.

The strategy is premised on the assumption that rapid, broad-based economic growth is essential for the reduction of poverty. It is projected that the target 8% average annual growth rate will facilitate a reduction of the incidence of absolute poverty from 70 to 50% by 2010.

To ensure that the growth path favours the poor, the strategy involves growth promoting measures that focus and benefit the poor. These includes education, health and infrastructure interventions as well as institutional reforms and the development of financial markets.

The strategy also prioritises structural policies intended to stimulate equitable growth – these include policies directed towards:

- Raising the productivity of, and developing markets for, small-scale farmers (given that 89% of the population are involved in agriculture);
- Accelerating job creation and increasing opportunities for non-agricultural income generating activities, stimulating investment in labour-intensive industry and services, and improving conditions for the development of micro and small business/ enterprise.
- Establishing improved participatory governance processes, particularly at the local level.
- Directing additional resources (notably through economic growth rather than reprioritisation) towards social safety net programmes for vulnerable groups.

The fiscal scenario projects domestic revenue to rise to 15% of GDP by 2005 and to reach 17% by 2010. The increase in revenue will be sourced from tax reforms and administration and increased revenue through economic growth.

Priority spending areas in the strategy are identified as education, health, infrastructure, agriculture and rural development and good governance.

Comment

The Mozambican PRSP is credited for the linkage made between the medium-term economic outlook as the basis for the medium-term fiscal framework. The strategy is one of the notable few which have ensured the integration between planning and budgeting, highlighting that available resources determine budgetary expenditure on strategic priorities over the medium term.

Linking of the medium-term macroeconomic outlook and the medium-term fiscal and expenditure framework to the expenditure priorities set out in the PARPA is the hallmark of best practice in public expenditure management practice.

This credible and prudent fiscal approach augurs well for reduction of child poverty as it ensures that strategy priority areas are prioritised in terms of resource allocation

and that budgetary expenditures are undertaken in an affordable and sustainable manner, promoting growth over the medium-term.

This does not mean to say that prudent medium-term budgeting itself guarantees reduction of child poverty. Rather, it is a necessary, and not a sufficient condition. That is, countries where child poverty reduction has occurred are those where prudent macroeconomic and public expenditure management policies have been followed to enable the allocation of sufficient resources over the medium- to long term to priority areas that address child poverty concerns.

Action Plan for the Reduction of Poverty and the Promotion Economic Growth

The PARPA action plan details those interventions that are aimed at immediate impact on poverty and those that are medium-term in impact and are aimed at promoting rapid, broad-based economic growth

Poverty reduction initiatives focus on: education; health; infrastructure (roads, energy and water); agriculture and rural development; good governance; legality and justice; and macroeconomics and financial policies.

The further prioritisation of measures from the above set focuses on those that are considered to be priorities for the sector concerned; have the greatest impact on poverty reduction and/or growth; and where the intervention is concerned to be both financially and institutionally viable.

Education

The PARPA identifies the following as key concerns in the education sector:

- Limited access to educational opportunities;
- Poor and worsening quality of teaching and therefore of schooling provided
- High rate of inefficiency in the educational system which translates into high drop out and repetition rates
- High costs of expanding access and improving the quality of education provision

These concerns translate into the main objectives of education reform. These are to:

- Expand access (particularly focusing on issues of equity between regions, urban-rural areas and on the basis of gender)
- Improve quality
- Improve efficiency and reduce costs

Current educational policies prioritise access to primary education, targeting universal provision as the main objective. Increased access is evidenced through the dramatic rise in the gross admissions rate in EPI (primary schooling) from 54% in

1994 to 91% in 2000. However, this success has not translated through to increased access at secondary school. Gross admissions rate remains low at 23% in 2000.

The PARPA takes a more comprehensive view of the entire education system. While primary education remains a priority, the strategy broadens its view to skills attainment in the wider economy, taking a systemic view of education.

In doing so, the strategy identifies the deficiency of professionals with higher education in all views, highlighting the skills constraint of the Mozambican economy. By way of example, in 1998 less than 3% of national staff of the public administration had tertiary qualifications. There are only 11 600 higher education students in Mozambique, whereas the population exceeds 16 million.

As noted, the problems in education are systemic. There are limited placements in higher education institutions; the quality of courses offered is poor and the costs of tuition are high. In turn, the numbers of candidates who have graduated from secondary school with the necessary qualifications are not increasing. By the end of 1998, only 3 technical-vocational institutions were functioning, with little relevance to the skills requirements of the labour market.

Other concerns in education include: corruption in the admissions process, by teachers demanding additional payment for appropriate teaching outside the classroom circumstance and in the classification of students. There are also concerns about sexual assault on female students.

The education reform programme is based on 10 components:

- Primary education;
- Literacy and adult education;
- General secondary education;
- Technical-vocational education;
- Teacher training;
- Ethical training and raising of the quality of services delivered by the educational system;
- Higher education;
- Professional training;
- Special education;
- Addressing the impact of HIV/Aids in the education sector.

The review focuses on those interventions that have the greatest impact on children – that is, those that address primary and secondary educational concerns.

Actions in respect of primary education include:

- Review of the access targets and projections for universal provision by 2004, of which 49% should be girls;
- Revise and reformulate the primary school curriculum focusing on learning skills – such as basic arts and crafts;
- Raise access to learner support materials. In particular, maintain rate of 75% of coverage of free textbooks to poor children;
- Training 1 680 primary school teachers a year, ensuring an increase of 2% a year in female teachers through a programme of scholarships;
- Build 1 500 new schools a year, focusing on reducing regional disparities

Looking at general secondary education, main objectives include the significant expansion of access to general secondary schooling to meet the needs of the labour market, teacher training and the expansion of higher education; and raising the quality of efficiency of secondary schooling.

Key measures to be taken include:

- Train annual 100 general secondary education teachers
- Gradually establish secondary schools in districts currently not serviced
- Introduce distance education
- Review the curriculum with a view to simplifying it and introducing subjects of greater vocational value.

The main objective of teacher training actions are to continue investing in the training of more and better teachers to meet the needs of the expanding education programme and to improve the quality of education as well as promote equity, particularly gender equity.

Training of primary and secondary school teachers are the main interventions here. The other main focus is to improve training on professional ethics in teaching. The latter will be reinforced by strengthened school inspection services and enhanced community and parent accountability.

Comment

Analysing the education programme in respect of children's rights, it is easy to criticise the programme as being too ambitious and wide-ranging, reducing the immediate focus on educational services for children. However, this may be a myopic view to hold. A broader view is that the educational programme has its medium-term to long-term vision as raising the skills capacity of the Mozambican economy. The programme should rather be viewed as having sequential reform stages.

It is the analyst's view that the priority reform focus of the educational strategy is in increasing children's access to quality primary and secondary education over the short- to medium-term. This is evident from the operational matrix on education, set out in the strategy appendices. The matrix identifies a greater number of targets and principal actions for primary and secondary schooling, as well as the responsible institution.

Targets and interventions for higher education are not well defined and therefore presumed to be clarified in latter iterations of the strategy.

Children's advocacy groups should validate this assumption. A skills-focused long-term educational strategy is applauded in terms of the importance for promoting economic growth. However, Mozambique has limited resources and children would only benefit if primary and secondary schooling access and quality were prioritised in action plans and resource allocation.

While the education sector denotes access targets for schooling, it is notably silent on qualitative indicators, such as teacher:learner ratios, classroom:learner ratios, repetition and drop out rates, final year school pass rates etc. Also absent is the presence of early childhood development programmes for children of 5 years to improve the cognitive development of young children – a critical intervention to raising efficiency and attainment in the school system.

These qualitative input, output and outcome indicators are present to a greater degree in the health section pointing to inconsistencies in the strategy.

Health

The section on health notes that estimations of current coverage of health services are about 50%. Transmittable diseases, such as malaria, parasites, tuberculosis, acute respiratory infections and diarrhea, are identified as the most important causes of sickness and death. Moreover, the HIV/Aids epidemic (no rates of prevalence are given), is rapidly expanding, adding a further burden onto an already weak health system.

The health strategic plan focuses on improved quality of health care services; expanded health care coverage and improved planning and management of the health sector.

The Primary Health Care Strategy remains the core priority, given the high rates of sickness and death in key vulnerable groups, such as women of child-bearing age, children, rural people and those that are chronically poor.

The supply of clean and safe water and adequate sanitation facilities are also critical priorities for the health strategy.

Most importantly, the strategy identifies that limited resources for health means that it is important to prioritise and target health service coverage to the most highly populated provinces which have been underserved as a result of the recent civil war.

The health programme integrates six components:

- Primary health care;
- Combating epidemics
- The health network;
- The development of human resources
- Planning and management of the health sector.

Primary health care measures address concerns of maternal and child health care. In terms of maternal care, the main objective is to improve access to and the quality of health care for women. The interventions are to operate services to reduce the institutional maternal mortality rate to less than 100 per 100 000 live births and expand coverage of institutional births to 50%.

The objectives for child health care are to improve child health care and prevent the main epidemics which affect children through the provision of vaccination services.

The main interventions are to operate services to raise the first consultation for children between 0-4% from 60% to 68%; and to ensure that at least 75% of children born over the next 10 years are completely vaccinated before the end of their first year, particularly in rural areas.

Other key health targets are to:

- reduce the under 5 mortality rate to less than 200 per 1000 live births;
- Maintain the rate of first consultation of children between 0-11 months at 98%
- Achieve national coverage of 98% for polio and DTP, and for measles vaccinations for children.

Health care interventions for the youth and adolescents prioritise the training of personnel to work with adolescents in family planning, and the prevention and treatment of HIV/Aids.

Nutrition reforms aim to contribute to an improvement in food and nutrition security in Mozambique. This is critically important given the present food and hunger crisis in the Southern African region, including Mozambique.

The nutrition interventions prioritised include distribution of vitamin A capsules to children between 5 months and 5 years who attend health consultation and promoting the availability and consumption of iodised salt.

Prevention and treatment of HIV/AIDS identifies the need to:

- Undertake high impact preventative measures targeting high-risk individuals including treatment of STDs, counselling and voluntary testing, controlling for blood transfusion
- Establish and run voluntary testing and counselling centres
- Increase education and awareness campaigns on STDs/HIV/Aids
- Increase condom distribution to targeted 4,5 million HIV positive persons.

The health network reforms aim to improve access to health care services through an expansion of the network to:

- improve the ratio of unit: population to 1:10 000
- Reduce the average distance to a health care unit to 8km (direct access) and 100km (indirect access).
- Increase the availability of hospital beds to 1/1000

Principal measures include:

- Building 65 new health centres, and rehabilitating and extending a further 16 centres
- Rehabilitating and expanding rural hospitals and health centres in the underserviced rural provinces
- Equip all health units at primary and secondary level
- Establish an efficient primary level referral system
- Rehabilitate, expand and equip 5 provincial hospitals and the central urban hospitals.

Human resource interventions are to ensure the training of 3000 basic and elementary level health technicians, 900 middle level technicians and 75 doctors in priority areas to raise the ratio of health personnel per population to 1:1000

Comment

Commenting on the orientation of the health strategy towards children is not an easy task. Maternal and child health interventions do form a priority focus. However, the strategy seems fragmented and uncoordinated for a sector that is notorious for its complexity and inter-linkages.

The sections on Child and maternal health care raise the targets for input and output rations, but are silent on the “How?” In practice, an efficient primary care referral system and increased access to appropriately staffed and equipped primary health care centres are essential interventions for improved maternal and child health care. These services, if rendered free, raise the utilisation of preventative health care for women and children in particular. However, user charges if imposed tend to restrict access to primary health care services for poor women and children.

There is limited clarification of the link and relative priorities of primary, secondary and tertiary health care services in Mozambique. The strategy does not identify the sequential process of reforms, given that the entire health system has been identified for reform. For instance, an efficient primary care referral system reduces the load on higher cost secondary and tertiary hospitals. What is the hospital revenue system – are hospitals fully subsidised? What is the relationship between public and private health care in Mozambique?

Furthermore, what is the strategy to direct appropriate resources, personnel and equipment to underserved rural regions rather than being ‘captured’ by interest groups in richer, urban areas?

On HIV/Aids, are there mother-to-child prevention programmes in place? Are awareness campaigns run in schools or is HIV/Aids treated as a health concern? What is the extent of Aids orphans and are there care programmes in place?

Given the importance of the health care system, and primary health care in particular, the section on health would benefit from a far more integrated and robust action plan that address the health system as a whole and locates primary care for women and children within the system in particular.

Infrastructure – roads, energy and water

The PARPA identifies investment in new infrastructure and the rehabilitation and maintenance of existing infrastructure as a key springboard for future growth in the economy.

It notes that “the development of the private sector as an engine of growth depends on the availability of basic infrastructure.”

Appropriately located and financed, basic infrastructure lowers the cost of private sector operations and communications, generating incentives for increased activity.

With respect to roads, Mozambique's national road network totals 26 000 km. Limited resources constrain the maintenance and rehabilitation of the road network, requiring a high degree of prioritisation in maintenance projects financed and implemented.

The future viability of the roads programme depends on the development of and choices made for the financing of road maintenance. One option is to channel the fuel tax to the Road Maintenance Fund. The second is to grant concessions to the private sector for the management of roads, or sections of roads, with the introduction of tolls.

The strategy suggests that granting of concessions to the private sector may allow for more sophisticated building techniques and the construction of better quality roads.

The main objectives of the roads programme are therefore to:

- contribute to the expansion of markets, especially agricultural markets;
- ensure access to roads to those districts that have the greatest economic potential, focusing particularly on the most highly populated provinces and those with higher incidences of poverty;
- establish road access between the principal regions of the country and develop the main corridors;
- improve mechanisms and the processes for prioritising construction of new roads and maintenance of existing roads;
- improve the quality of construction, rehabilitation and maintenance of roads.

The principal interventions identified include:

- Reduce to less than 5 % the number of impassable roads, and to 25% the percentage of poor quality roads;
- Connect areas of greatest economic potential to localities of economic activity
- Continue with the rehabilitation and reopening of roads and bridges that contribute to the North-South link and to the development of the main transport corridors;
- Extend and consolidate the work of the National Roads Authority and establish provincial road councils to jointly determine road construction and maintenance priorities.

Comment

The road programme has an indirect, but not insignificant impact on reducing child poverty in Mozambique. In the short-term, road construction and maintenance generate employment opportunities for local communities, particularly if methods

used are labour intensive. In the medium- to long-term, increased private sector activity generates greater numbers of jobs, which will benefit poor unskilled communities, if labour intensive industries and activities are prioritised.

Both these effects are positive for reducing child poverty, as those children that live in households where at least one or more members are employed tend to be better off. This points to the impact of job creation as a key factor in reducing poverty, particularly child poverty in Mozambique. Monitoring the number of jobs created in the economy and the unemployment rate should therefore be a key element of the PARPA.

Energy

Mozambique has significant energy potential, particularly in the area of hydro-electric power. Expanding electrification is seen as a critical element in the country's poverty reduction programme as it widens peoples opportunities to improve their welfare. Electrification is also necessary for raising productivity and production in the agriculture sector, the dominant sector of employment in Mozambique.

The main objectives of the energy programme are to:

- Expand access to energy sources, reducing the environmental impact of using non-renewable resources, particularly in rural areas;
- Contribute to the supply of dependable energy in the main regions of the country strengthening their economic growth potential

Water

The main objective of the water supply and sanitation programme is to increase the supply of clean drinking water and the provision of sanitation in both urban and rural areas and reduce costs.

The key interventions are to:

- Raise the coverage of water supply to urban and peri-urban populations to 50% through rehabilitating water supply systems and reducing losses
- Raise the coverage of water supply and sanitation facilities to the rural population to 40% or 6 million people.

Comment

Access to clean, safe drinking water is critical for improving child health status and is therefore a key complementary intervention to increasing access to primary health care services for children. The strategy would benefit from greater disaggregation

and detail in respect of target localities, as cross referencing improved access to water and sanitation facilities in conjunction with primary health care services is likely to lead to improvements in child health indicators. Communities which have access to primary health care services without the attendant access to water and sanitation facilities are unlikely to see marked improvements in health status.

Agriculture and rural development

The agrarian and rural development programme is a major driver of the PARPA given that rural areas hold 71% of Mozambique's population, and the incidence of poverty in rural areas is greater at 72% than in urban areas 62%.

PARPA highlights the potential of the agrarian sector to grow by an annual average rate of 8%, contributing to poverty reduction and broad-based economic growth.

The agrarian reform programme, PROAGRI, initiated in 1999 is based on:

- Raising the productive capacity and productivity of agriculture, forestry and animal husbandry using labour-intensive technologies and sustainable management of resources;
- Guaranteeing rights of access to land and reduce the bureaucracy associated with land registration;
- Promoting the marketing of agriculture and livestock products and facilitating access to markets
- Reducing the vulnerability of households and chronic food insecurity.

The main interventions identified in the PARPA focus on extension services, research, support to agricultural production, animal husbandry, forestry and wildlife, land management, irrigation, microfinance, rural communications and institutional development.

Increased access to support and extension services through these interventions are expected to contribute to an increase of over 200% in returns per unit of land and an average annual increase of food items of around 240 000 tons.

Comment

While the agrarian strategy does not necessarily benefit children directly, it offers the greatest impact and sustainable intervention to improving the livelihoods of poor rural communities in which the majority of children live. Seen in a broader sense, therefore, the reduction of child poverty is largely dependent on the successful implementation of the agrarian reform strategy to improve the growth of the family agrarian sector.

The section on Good governance, legality and justice and the section on Macroeconomic and Financial policies are not analysed as their influence on child poverty is an indirect one.

The remaining section considers other key areas of interventions that are identified as complementary rather than fundamental priorities. Included are:

- Employment and business development
- Social action;
- Shelter;
- Mines, fisheries, tourism and industry;
- Transport and communications;
- Technology and the environment
- Reduction of vulnerability to natural disaster.

The only area that is of prime importance to children is that of shelter. The remaining areas are important to development and growth, but impact on children indirectly largely through increased private sector activity and job creation.

The section on housing is very limited as it does not contextualise the demand for housing in Mozambique.

The main objective in the area of shelter is to create an environment that facilitates the expansion of private initiative in housing, including self-construction. The reference to the expansion of private initiatives is notable as it minimises the role of Government in providing low cost housing to poor households. The role and capacity of the Housing Support Fund is not discussed.

Comment

Expansion of the section on housing may be an important addition in respect of prioritising child poverty reduction. This area is likely to be important for children given that shelter is considered a basic service and impacts on the quality of life of poor households.

In particular, it would be important to assess:

- the current shelter modalities of poor households in urban and rural areas,
- the relative extent of the housing demand (that is, the priority that poor households place on provision of housing vis a vis other basic and social services),
- alternative options for low-cost housing provision, including rental housing etc;

- and the role of the private versus the public sector in low cost housing provision for poor households.

Botswana Poverty Reduction Strategy Paper

Introduction

Botswana has a population of only 1,7 million – and has one of the highest rates of per capita income growth in the world rising above 6 per cent a year in real terms. This has contributed to a decline in poverty levels from 59 per cent in 1985 to 37 per cent in 2001.

The Botswana government has initiated a broad-based economic growth programme to raise economic growth to 8 per cent a year in real GDP terms, and reduce poverty to 23 per cent in 2007, and completely eradicate poverty by 2016.

The impact of HIV/Aids on Botswana's growth and development path may interfere with these goals. The impact of Aids is beginning to be felt, reducing incomes sharply in communities, labour productivity is falling and poverty is deepening somewhat.

The Botswana government commissioned the UNDP to produce the PRSP report. The brief was to develop a policy framework that identifies well prioritised, realistic and achievable high impact anti-poverty programmes that can effectively be implemented within the long term macroeconomic growth framework.

Poverty profile

The PRSP makes use of a multi-dimensional concept of poverty that includes income poverty, capacity poverty and participation poverty.

Poverty in Botswana is characterised by gender disparities – about 50 per cent of female headed households live below the poverty line compared to 44 per cent of male headed households.

Groups particularly vulnerable to poverty therefore include the aged, the unemployed (mostly youth and single mothers) and women-headed households.

Poverty also has a geographic dimension in Botswana. The highest prevalence are concentrated in remote rural areas, particularly in the west, where there is a high degree of reliance on government income transfers.

The PRSP identifies the main causes of poverty in Botswana as being:

- Limited access to employment opportunities as a result of a narrow economic base, lack of economic diversification, small domestic market and slow progress in export orientation;

- Security of land tenure and access to complementary sources for agricultural production, including credit; occurrence of drought and the impact of HIV/Aids.

Comment

Of note here is the limited demographic analysis and poverty profile. Of the 1,7 million, how many adult women and men are there? What is the proportion of the population that are children? What is the age distribution and dependency rates? What is the geographic spread of people? Urban versus rural? What is the income distribution in gender terms and in geographic terms?

The lack of focus on children in the introductory poverty profile does not place children at the centre of the strategy at the start, and therefore it is unlikely that the strategy itself will prioritise interventions targeted to reduce child poverty in a direct sense. Poverty reduction interventions that target income and capability poverty will benefit children indirectly.

The lack of a child focus right at the start suggests that there is a significant role for child-poverty research and advocacy efforts to ensure that child poverty reduction is prioritised in the Botswana PRSP.

Strategic focus of the PRSP

The strategic thrust of the Botswana PRSP is centred on *Expanding employment opportunities through broad based economic growth*. It has two parallel thrusts:

- Increasing opportunities in wage employment;
- Increasing opportunities in self-employment.

For those that are unable to work, the strategy proposes *well-targeted safety nets for the poor*.

Supporting this central strategic thrust on employment creation are:

- Improving the social capabilities of poor people;
- Strengthening the organisation capabilities and participation of the poor.

The PRSP also focuses on the enabling environment and proposes:

- Strengthening the national development capacity of central government;
- Strengthening the capacity of local government institutions to implement poverty reduction programmes at the local level.

Key policy challenges

The draft strategy identifies a range of policy challenges that need to be addressed in order to create the enabling environment for sustained poverty reduction interventions. These are:

- macroeconomic policy
- attracting foreign direct investment
- land policy
- tourism policy
- strategic approach to development management
- human resource development and utilisation
- mainstreaming HIV/Aids into the National Development programme
- data base and information system; and
- performance of the public sector.

Macroeconomic policy

The strategy notes that macroeconomic policy that is appropriate for poverty reduction requires an integrated macroeconomic policy package of short-term and long-term measures, including stabilisation measures, economic restructuring and redistributive expenditure and tax policies.

There is general agreement that while Botswana's growth performance has been impressive, it has not been sufficiently broad-based or pro-poor, limiting its impact on poverty reduction.

The PRSP notes that budget expenditure policies have been pro-poor, financing human capital development through increased access to education and health. In 2002, education received 28% of the recurrent budget, followed by local government at 18% and health at 7%. A high proportion of local government expenditures is directed towards rural areas.

The strategy suggests, however, the need to re-orientate other macroeconomic policies to ensure that growth is broad based. These include price inflation, monetary policy, fiscal policy, foreign trade, balance of payments and exchange rate policy.

Focusing on price stability, the strategy notes that inflation has declined to 6,6 per cent in 2001 from 9,9 per cent in 1999. It is suggested that, as price inflation impacts more on the poor than the non-poor, an inflation target of 4-5% could be achieved, if South Africa reaches its target of 3%. This would ensure targeting of an inflation rate that is consistent with pro-poor growth.

Comment

In the 2002 Medium Term Budget Policy Statement, the South African government has extended its inflation target of the band 3-6% to 2004. This means that inflation is likely to fall within the target range within 2004. Given recent inflationary pressures, the SA inflation rate is likely to fall in the target range at the upper limit – that is, 6%. This means that the Botswana target of 4-5% may not be reachable.

Monetary Policy

The primary objectives of monetary policy in Botswana are to secure price stability, exchange rate stability, positive real interest rates, and an efficient financial system.

Botswana initiated a series of financial reforms in the 1980s aimed at developing a financial system that is supportive of economic diversification. The strategy suggests that there is a need to accelerate financial deepening to facilitate the development of financial markets and institutions that are able to serve a broader range of economic activities.

Given the multiplicity of its monetary policy objectives, the Bank of Botswana has prioritised achieving price stability and maintaining positive real interest rates at internationally competitive levels. The strategy suggests that the Bank may need to consider the implications of its monetary policy on the current poverty situation and poverty target. This bears into focus the consistency of monetary and fiscal policy – poverty reduction is impeded if, on the one hand, Government is directing budget expenditures towards poverty reduction interventions – expansionary fiscal policy, and on the other, monetary policy is tightening through higher interest rates – contractionary monetary policy.

Fiscal Policy

Botswana's has achieved a reputation for its credible and robust fiscal policy. The expenditure and tax policies are aimed at enhancing economic diversification and sustainable economic growth.

The expenditure side has four priorities:

- Developing physical infrastructure – roads, telecommunications, power grids, rail, etc. to support investment and enhance economic activity;
- Providing for basic needs, such as potable water, basic sanitation and health services and education.
- Enhancing employment creation and sustainable livelihoods through support to small and medium sized business as well as to agriculture.

- Strengthening social safety nets including support to destitute persons, drought relief, the orphan programme and the old age pension.

Tax policy is oriented towards creating an enabling environment for private sector led development. Since the early 1990s, government has reduced the direct tax burden on corporations and individuals from 40 to 20%. Botswana is also due to replace its General Sales Tax with Value Added tax, diversifying the tax and revenue base.

Botswana is fortunate to receive substantial income and revenue from the state-owned mining industry. This reduces the importance of the taxation base and enables the government to expand its poverty reduction programme.

At present, Botswana has a balance of payments surplus and huge international foreign exchange reserves. Government has managed an effective exchange rate liberalisation policy to ensure that the exchange rate is a true reflection of the underlying economic fundamentals.

Attracting Foreign Direct Investment

Despite the Botswana government's attempts to create an enabling environment, foreign direct investment flows have decreased since 1997 to \$30 million in 2000. South Africa's democratisation in 1994 and opening up to international markets may have an impact, acting as the key destination in the region.

The strategy therefore suggests that Botswana evolve its FDI policy that takes into account the realities of the global environment, including trends in the flow of FDI, the factors that affect such flows, the challenges of mobilising domestic investment, the challenges of globalisation and the increasing marginalisation of developing countries.

Land Policy

The PRSP notes that access to land is a primary policy issue affecting poverty reduction.

In Botswana, a major determinant of land rights in rural areas has been the Tribal Grazing Lands Policy of 1975 and its successor the Fencing Component of the 1991 National Policy on Agricultural Development. Both policies were adopted to privatise parts of communal lands and demarcate areas of responsibility to individual farmers to facilitate commercial production of beef.

Effectiveness of these policies in respect of facilitating beef production is not clear. Of greater concern, however, is the significant negative impact on poverty. Many of

those deprived of communal grazing land were poor people whose loss of access to land limited their ability to create a livelihood for themselves. This has led to an increase in inequality in land ownership in rural areas,

The strategy therefore recommends the review of land policies to ensure security of tenure, access to adequate land and its productive use by the poor.

Tourism

Although Botswana has grown in popularity as a tourist destination, the current contribution of tourism to poverty reduction remains weak. This is of concern, given that tourism is a labour-intensive industry, with significant potential for job creation and forward and backward linkages into supporting and complementary industries.

The strategy therefore suggests the need to:

- Aggressively market Botswana as a tourist destination
- Attract tourist to parts of Botswana that have underdeveloped ecotourism potential;
- Equip Botswana with the appropriate skills for the tourism industry;
- Facilitate and encourage the ecotourism sector, emphasising community-based enterprises.

Strategic Approach to Development Management

In 1997 the Botswana Government launched vision 2016 as a long-term strategic framework for national development. However, there is no specific institution that is tasked with the responsibility of ensuring that strategic issues relevant to the achievement of Vision 2016 are systematically identified and addressed.

The draft strategy therefore recommends that making Vision 2016 a key tool for long-term strategic development management requires policy decisions regarding institutional responsibilities for long-term development management. This requires the development of a strategic think-tank to ensure implementation.

Human resource development and utilisation

In the long-term Botswana's competitive advantage will be defined by the quality of its human resource and skill base. This requires a comprehensive forward looking human resource development strategy that is based on education and training.

The draft strategy recommends that the Revised National Policy on Education of 1994 is a solid base for human resource development policy. The latter needs to be

directed at developing and implementing long-term human resource development plans.

Database and information system

The draft strategy proposes that adequate capacity to carry out regular poverty surveys and studies should be built at the Central Statistical Office to facilitate the management and implementation of the PRSP and Vision 2016.

Performance of the Public Sector

Effective implementation of poverty reduction policies and programmes requires effective public sector performance. The draft strategy suggests that public sector human resource policies should be direct at identifying ways of strengthening the leadership of key public sector institutions.

PRSP Programme Areas and programmes to be implemented

The Botswana PRSP differs from other PRSPs in the region. Most PRSPs are in fact mini development plans and so PRSP programmes cover all the sectors found in a typical development plan. This is because the countries submitting their PRSPs to qualify for multi-lateral assistance have a wide range of development needs, including infrastructure, education, health, etc.

In contrast, the programmes presented as part of the draft Botswana poverty reduction strategy do not cover all sectors of the country's National Development Plan. Rather, the PRSP takes a cross-section approach, based on consultations with various stakeholders, including communities and identifies a set of 16 programmes on the basis of:

- when there is already an existing project in the current national development plan (NDP 8), the PRSP has focused the project to poverty reduction by identifying and targeting poor people;
- most of the programmes include components that simultaneously address income, capability and participation poverty.

A total of 16 programmes estimated at a cost of Pula 195,8 million over a period of 10 years have been proposed under the draft PRSP. They cover 5 programme areas: sustainable livelihoods, enhancing capabilities, enhancing participation, strengthening national development capacity.

- *Enhancing capability*
 - Creation of local resource centres

- Human capital development and utilisation
- Building artisan capabilities in urban areas
- Enhancing income earning capabilities of educated but unskilled youth
- *Enhancing participation*
 - Strengthening the remote area development programme
- *Strengthening Local government institutions*
 - Strengthening planning capacity of district councils for community-based development
 - Strengthening planning and management capacity of village institutions
 - Strengthening capacity of extension services for community based development
 - Strengthening capacity of land boards in land allocation, administration and management
- *Strengthening national development management capacity*

Sustainable livelihoods

Programme 1: Small scale horticultural development

The first programme is targeted towards small scale horticultural development. Indicators include at least 15% increase in employment and increased agriculture share of GDP.

At present, the majority of small scale horticulturalists in Botswana lack the knowledge and basic facilities, including effective irrigation, and efficient techniques for production, storage and marketing, necessary to sustain a reliable supply of produce to market.

The programme goal is to reduce poverty by creating employment opportunities in agriculture. The programme targets the unemployed and poor directly, focusing particularly on unemployed women heads of households and the youth. About 500 people in the target group will be identified, trained in horticultural production and marketing and monitoring over a four year period.

Programme 2: Expanding rural employment opportunities through rain fed crop production

Agriculture contributes only 3,1 per cent to GDP, although the sector has significant potential to reduce poverty in rural areas. Rain-fed crop production is an area where progress can be made in expanding rural job creation.

The objective of the programme is to improve farmers' performance in terms of both land acreage and crop yields. Introduction of mechanisation, combined with improved farm management practices and intensive extension services has the potential to expand agricultural production considerably. This would be supported by cluster farming, targeted research on crops such as sorghum, maize, sunflower, cotton etc.

Benefits would accrue through the achievement of higher yields, productive employment and higher incomes for targeted 10 000 farmers among the rural poor.

Programme 3: Increasing small stock production

Many areas of Botswana are unsuited to arable farming due to the adverse climate and poor soils. Small stock – goats and sheep – however, are suited to semi-desert environments and require less water than cattle.

The programme aims to enhance the production, processing and marketing of goats, sheep and poultry by building the necessary human capacities and providing infrastructure and marketing support services to poor people, particularly focusing on women in rural areas.

Programme 4: Strengthening community-based natural resource management programme

The Community Based Natural Resource Management programme has had considerable impact over the past decade in creating rural income generation opportunities.

The goal of the programme is to strengthen and diversify the Community Based Natural Resource Management programme to facilitate a 30% reduction in remote area poverty rate.

Programme 5: Creating employment opportunities in the tourism industry

The programme will:

- Identify and provide scholarships to at least 300 interested unemployed youths to undergo formal diploma courses in credible tourism training institutions
- Upgrade the Maun Vocational Training school into a comprehensive tourism training and development centre;
- Develop strategic outlets and centres around major tourism areas where crafts may be produced and marketed.

Programme No 6: Building Capacity for Small and Medium Business

Unemployment in urban areas in Botswana is high. There is evidenced that private sector employment has declined by 7,6% during the 4-year period 1994-98. Development of small and medium sized business has been constrained due to lack of entrepreneurial and business management skills, inadequate access to business support services.

The programme involves expanding infrastructure and equipment in existing institutions, which cater for training, advisory and mentoring services to small business people.

Programme 7: Creation of Local Resource Centres

Many citizens outside the major population centres of Botswana are excluded from livelihood opportunities because of weak flows of information between local residents and centres of information. These include school leavers who return to remote areas, are unemployed and have limited access to information on training and employment opportunities.

The programme revolves around the establishment of a central information and resource centre in 10 villages. Core services will include advice and referral on government services, employment opportunities, rights, availability of newspapers and online computers.

Programme 8: Human Capital Development and Utilisation

Human capital development challenges in Botswana are considerable. They include

- Large numbers of unemployed, particularly the youth, who lack the skills demanded by the labour market;
- The need for small and medium sized business to upgrade their workforce skills
- Management of the impact of HIV/Aids on the workforce

The programme aims to:

- Bring supply of labour skills and demand of labour skills together;
- Integrate and pay particular attention to the concerns and needs of poor families towards the development of their children's human resource capabilities;
- Develop a system for tracking student performance and retention rates of children from poor families
- Provide a linkage between potential employers and employees, with an emphasis on training.

Programme 9: Building Artisan capabilities

Artisan operations in Botswana are fragmented and limited in respect of capability. The programme aims to build artisan capacities in small and medium-sized businesses in the formal and informal sectors to improve their quality and productivity. The programme is to equip artisans with basic marketing and organisational skills and to improve the quality of services.

Programme 10: Enhancing income earning capabilities of education but unskilled youth

The present schooling system in Botswana does not have adequate training on skills usable directly in the labour market, particularly for primary and secondary school dropouts. The programme therefore aims to develop technical, communication and business skills for unemployed, educated but unskilled persons. It intends to expand existing youth brigades curriculum to accommodate part-time students; include business management and entrepreneurship development course and introduce vocational and career counselling programmes in secondary and vocational schools.

Programme 11: Strengthening the Remote Area Development Programme

The Remote Area Development Programme was started in the early 1970s to address the unique problems faced by those living in remote rural areas. While the programme has provided critical infrastructure in remote areas, it has not succeeded in reducing poverty levels in these areas.

Renewed efforts to strengthen the programme will focus on empowering poor people in remote areas towards self-sufficiency. Strengthening social mobilisation and raising the level of mass communication of government policies will assist in integrating remote rural dwellers into the mainstream of social, economic and political development and participation.

Programme 12: Strengthening Planning and Implementation Capacities of District Councils

Local government plays a key role in poverty reduction interventions in Botswana. The Community Based strategy for rural development emphasises the need for district councils to engage in effective participatory planning processes within their communities. However, this capacity is extremely weak for a variety of reasons.

Programme 12 therefore aims to strengthen the capacity of district councils to plan, implement, monitor and evaluate their development programmes. An important element will be to provide assistance to councils to prepare district vision documents, in line with Botswana's Vision 2016, and develop mechanisms for community participation.

Programme 13: Strengthening planning and management capacity of village institutions

Botswana has a number of village institutions that serve as the basis for development initiatives at the community level. The Village Development Committee (VDC) is the main village institution response for development issues and coordinates village institutional activities. Other village institutions include Village Health Committees, Parents and Teacher's Associations, Farmer's Committee's, Village Literacy Committees, Cooperatives and Village Extension teams.

Programme 13 aims to strength the capacity of village institutions to plan and manage development interventions more effectively. The programme will involve training, provision of equipment and transport to village institutions, and improvement of operational procedures and systems of village institutions.

Programme 14: Strengthening of Extension services to implement community based strategy

Extensions services at the community level are provided by the Village Extension Team that work together with villages to identify their village needs and problems, and plan and implement solutions.

The programme intends strengthening village extension services through training and orientation of extension staff in poverty analysis and programme planning, management training and provision of accommodation, transport and infrastructure.

Programme 15: Strengthening capacity of Land Boards in land allocation, administration and management

The Land Board is a body corporate established under the Tribal Land Act and is responsible for holding land in trust for communities and promoting development through the allocation, administration and management of land.

The programme is aimed at strengthening Land Boards to effectively and efficiently allocation and management land by:

- training in land management
- improvement in land record keeping

- review of land allocation procedures
- provision of land technicians as well as specialists in land surveying, physical planning, land use planning and estates management.

Programme 16 Enhancing National Development Management Capacity

The Ministry of Finance and Development Planning is responsible for coordinating national development planning in addition to economic policy and resource allocation processes.

The programme aims to strengthen national capacity within the Ministry to undertake strategic thinking, and strategic and operational planning in the context of Vision 2016. This will be achieved through improvements in existing planning systems and adapting them to long-term strategic management approaches.

Comment

As in its sister PRSPs in the region, the Botswana PRSP focuses on revitalisation of the agriculture sector as a key policy intervention to promote job creation and enhance poverty reduction, particularly in rural areas.

Three key programmes within the *Botswana PRSP* focus on revitalisation of the agrarian sector. The first programme is targeted towards training 500 people in horticultural production and marketing and monitoring over a four year period.

The second programme concentrates on improving agriculture performance through mechanisation, combined with improved farm management practices and intensive extension services.

Given that many areas of Botswana are unsuited to arable farming due to the adverse climate and poor soils, the third programme focuses on improving the production, processing and marketing of goats, sheep and poultry by poor rural communities.

As mentioned in commentary on other regional PRSPs, access to wage income through job opportunities is a key element to any sustainable poverty reduction strategy. Improved income generation and food security in poor households are critical to improving the living situation and future economic opportunities for children living in these households. The poverty situation of children is lessened in households where there is access to wage or subsistence income and improved access to basic and social services.

However, notable in all strategies reviewed is the lack of identification of children as a specific focus for economic activity. It is likely that in poor rural households where the majority earn their living from the land, that child labour is a common and necessary practice for most families. In most agrarian economies therefore, issues of child labour and exploitation are critical areas of concern.

Lesotho Interim Poverty Reduction Strategy Paper

Introduction

Lesotho is preparing its PRSP within the context of its longer-term Vision 2020. Its interim PRSP, finalised in February 2001, focuses on employment generation through economic growth and targeted public works programmes. Preparations for the full PRSP are considering key sectoral reform programmes in more detail. The final PRSP is expected to be published by the end of 2002.

The document that has been reviewed is therefore the interim PRSP, published in December 2000. It would be prudent to revise the review on the outcome of the comprehensive PRSP for Lesotho.

The Interim PRSP states that the Lesotho government adopted poverty reduction as its highest development priority in its 6th Development Plan 1996/97 – 1998/9.

Recent Economic Developments

Lesotho experienced substantial economic growth during the 1990s, largely due to considerable international investment in the Lesotho Highlands Water Project and the expansion of the manufacturing sector during this period. Average GDP growth stood at 6,3% a year in the period 1998 to 1997.

The Interim PRSP notes that the Structural Adjustment Programme that Lesotho entered into with the IMF/World Bank in 1988, encouraged increased economic stability during the 1990s.

In 1998, political unrest led to significant decline in economic performance and gross domestic output contracted by 4,6%.

Other factors contributing to lower growth levels include:

- Negative impact of El Nino climatic conditions adversely impacting harvest and agricultural production during 1996/7;
- Lower output of the building and construction sector due to completion of the first phase of the Lesotho Highlands project
- Continued restructuring of the South African economy contributing to reduced employment of Basotho migrant mine workers
- Reduced manufacturing sector performance; and
- Poor performance of the state-owned utility companies, particularly telecom and electricity.

The Lesotho government has responded to the economic downturn by implementing a series of macroeconomic reforms including:

- accelerating privatisation of state-owned enterprises;
- improving domestic financial intermediation;
- diversifying and increasing the state revenue base; and
- Reducing (containing?) government expenditure through public sector reforms.

These interventions target the restoration of economic growth to levels of 3% a year and the maintenance of inflation at about 6% a year.

It is important to note that the economic outlook for Lesotho will be dominated by structural changes in SADC and the SA customs union.

Poverty profile

Lesotho is a low-income country with limited natural resources. Its economy is heavily interconnected and dependent on the South African economy. Most of its income comes from exporting water to South Africa, from remittances by expatriate workers and from SACU revenues.

The Interim PRSP recognises poverty as being multi-dimensional, including not only income poverty but also poverty that is related to access to basic services – food, shelter, health care, education, water and sanitation.

The most recent poverty survey, completed by the World Bank, Ireland Aid, Unicef and the World Health Organisation, estimates that about 68% of the population fall below the poverty line, despite the high rates of economic growth during the 1990s. This highlights the lack of pro-poor orientation of the growth stimulation during that decade.

The poverty survey also highlights the large regional disparities and income inequalities that exist in Lesotho. Poverty is more highly concentrated in the predominantly rural and remote mountain and Senqu river areas. Income inequality is high – the richest 10% of the population receive 45% of the national income, compared to less than 1% received by the poorest 10% of the population.

In respect of human development indicators, Lesotho evidences:

- Life expectancy at birth of 55 years – this is expected to decline to 45 years by 2010 due to the impact of HIV/Aids

- Significant improvements in the infant mortality rate from 85:1000 in 1986 to 55:1000 in 1996 due to a relatively well-developed health system with NGOs and churches playing a key role in the more remote areas. This has contributed to;
- Reduction of enrollment of children aged 6-12 years in primary education to 55% against 76% in 1990, despite the implementation of free primary education;
- Average illiteracy rate of 39% in 2000 with higher rates prevalent among men (42%) than among women (37%);
- Prevalent high levels of unemployment average 40,5% and the problem of youth unemployment is on the rise.

Moving towards a PRSP

Lesotho has implemented a range of programmatic and project approaches targeted towards the reduction of poverty and the stimulation of economic growth. However, these interventions were mainly in respect of service provision and very little economic infrastructure. There was also minimum information on the incidence of poverty to inform effective targeting.

Poverty mapping exercises in 1991 and 1994 were utilised in the 1995 World Bank poverty assessment of Lesotho. This report provided an extensive poverty profile of the country in terms of income, expenditure and access to services and provided the basis for Lesotho's current poverty reduction programme. The government, however, has recognised that successful implementation of the plan requires significant domestic and international resource mobilisation and engaged in formulating an official PRSP.

PRSP within macroeconomic targets

Lesotho's PRSP is framework within growth orientated medium term macroeconomic and fiscal policies. Key goals include:

- *Export led economic growth* to boost private investment and exports in the manufacturing sector – target: stabilise economic growth and 4% a year;
- *Prudent fiscal management* – Restore the overall fiscal balance to a surplus of about 1% a year by 2003/04 through increased tax revenue, constrained expenditure and increased concessional financing;
- *Cautious/ Restrictive monetary policy* aimed at reducing inflation to 5% a year;
- *Poverty reduction strategy focused on job creation strategies* through export expansion

- *Priorisation of health and education social services;*
- *Streamlining business laws and regulations* and improving the administration of justice to enhance private sector investment environment in Lesotho.

Sector interventions targeted at Poverty Reduction

The interim PRSP acknowledges that the bulk of resources to implement Lesotho's development programme has been sourced from donors. However, the discussion on sectoral interventions targeted towards poverty reduction only covers those programmes and projects that were implemented by government itself.

This presents a fragmented picture, particularly as regards the impact of the interventions on child poverty. Nevertheless, the sectoral interventions, discussed briefly below, include:

- The *Rural road construction programme* provides employment (most probably on a "public works" type basis) to the rural unemployed, alleviating the impact of seasonal unemployment in subsistence agriculture in the rural areas of Lesotho;
- In *education*, improving access to and quality of primary schooling has been prioritised, with the focus on increased numbers of classrooms, trained teachers and learner support materials.

Disappointingly, these expansions to the schooling infrastructure, have not translated into increased enrolment rates at the primary level due to:

- a fee structure that is prohibitive for poor families;
- belated diagnosis of various disabilities.
- In *health care*, the long-standing cooperation between the Lesotho government and the Christian Health Association of Lesotho (CHAL) has led to a relatively well established health care system, with the latter owning 49% of the country's health facilities and receives annual subsidy to facilitate provision of health services to communities.

The Lesotho government provides free treatment of TB, leprosy, immunisable childhood diseases, malnutrition related diseases for children under 5 years, and pre- and post-natal services. Limited social welfare and social security is provided to the elderly, children and the disabled.

However, recognising that the health care infrastructure and system is deteriorating, the government initiated the 1999 Health Sector Reform Strategy to increase access to quality, preventative, curative and rehabilitative health care

services in Lesotho. This is supported by the national HIV/Aids strategic plan that aims to control the spread of HIV/Aids in Lesotho and mitigate its impact on vulnerable groups.

- *Access to safe water and sanitation services* is limited. About 50% of the urban population and 40% of rural areas do not have adequate access to water services. Urban sanitation coverage is high at 75% but access to sanitation services in rural areas is poor, averaging about 35%.

Government policy reforms in the sector are targeted towards increasing private sector participation in urban and peri-urban water supply and sewerage provision.

- Lesotho engages in a number of interventions aimed at stimulating private sector development. These include:
 - The *Privatisation and Private Sector Development Project* has identified more than 50 state-owned enterprises and parastatals for privatisation;
 - The *Small/medium industrial development project* is being restructured to promote entrepreneurs in the manufacturing industry;
 - The *Industrial and Agro-industries project* facilitated access to loan and equity financing and provided industrial infrastructure to local agro-industry enterprises;
 - The *Basotho Enterprise Development Corporation (BEDCO)* which supports local enterprise development.
- *Key agricultural* interventions include:
 - The *Food Self-sufficiency project* which was maintained up until the mid 1990s to reduce Lesotho's dependence on South Africa for the supply of staple grains;
 - The *Lesotho Agriculture Development Bank* served as the central source for agricultural credit from 1980 until 1998.
 - The *Agricultural Sector Adjustment Programme* aims to stimulate private sector investment in agriculture;
 - The *Sustainable Agricultural Development Programme* and the *Berea Rural Development Programme* targeted agricultural production among small-holder farmers
- *Tourism* interventions are targeted towards developing and promoting eco-tourism in Lesotho. Efforts have focused on the Maloti-Drakensberg Transfrontier Conservation and Development Project.

Comment

Commenting on the child-focused orientation of the Lesotho interim PRSP is near impossible, given the lack of detail on the proposed focus and orientation of the strategy itself. The interim PRSP sketches the poverty profile, sets out its economic goals or objective and lists the range of current interventions targeted towards reducing poverty in Lesotho.

However, it is telling that the main policy objective of the interim PRSP, and possibly the final PRSP, is that the strategy is formulated within growth orientated medium term macroeconomic and fiscal policies. The first priority is therefore placed firmly in respect of raising economic growth rates rather than poverty reduction interventions. This remains to be confirmed in the final PRSP.

References

Poverty Reduction Strategy Papers

Malawi Poverty Reduction Strategy Paper

Zambia Poverty Reduction Strategy Paper

Mozambique Poverty Reduction Strategy Paper

Botswana Poverty Reduction Strategy Paper

Lesotho Interim Poverty Reduction Strategy Paper

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