

## **Economic Development Priorities: what next after HIPC Completion Point and PRSP?**

Southern African Poverty Network (SARN), in partnership with CUTS-Africa Resource Centre, is pleased to announce a half day stakeholders' roundtable on the theme "Economic Development Priorities: What Next After HIPC Completion Point and PRSP" at Hotel Inter Continental, Lusaka on 15th December 2004.

As you are aware, Zambia along with a few countries in Southern Africa are soon reaching the completion point for the Highly Indebted Poor Countries (HIPC) initiative, which has had the proclaimed objective of eliminating unsustainable debt. The HIPC Initiative was launched jointly by the World Bank and the International Monetary Fund (IMF) in 1996. The initiative enabled the HIPCs to get debt relief from the International Financial Institutions (IFIs) and also from other donors.

However, in order to achieve the debt relief, the countries had to go through a set of stringent conditions, which include implementation of economic reforms viz. privatization, deregulation, exchange and trade liberalization which were expected to lead to sustained economic growth. Apart from that, the adoption and implementation of a Poverty Reduction Strategy Paper (PRSP) and also an agreed set of measures in various social sectors, public expenditure management and control.

Although the enhanced HIPC initiative had the proclaimed aim of speeding up poverty reduction programs and stimulate economic growth, which will support efforts to achieve the Millennium Development Goals (MDGs) by 2015, one could find that PRSPs were not comprehensive enough to refer to it as national development policy instrument. For instance, mainstreaming of trade policy was never done in the PRSPs and many crucial sectors of the economy were left out, which often lead to multiplicity of policies and programmes.

Many countries have been moving from HIPC I to HIPC II to HIPC completion point with the hope of achieving sustainable debt relief and a freeing of resources for poverty reduction. Is this practically the case? Uganda has reached the completion point and the feedback from civil society and other stakeholders is that their debts are not sustainable. In fact, others argue that poverty has deepened.

Since, Zambia and (also Malawi and Mozambique) are on the verge of completing HIPC and implemented PRSP, it is imperative to analyse the process, outcomes and prepare for the future. It is in this context that the roundtable is being planned. The objective of the roundtable is to gather the views of stakeholders on the future scenario in terms of PRSPs, debt cancellation and adoption of suitable national development plans. Countries have been implementing PRSPs with stakeholder involvement mainly in the area of monitoring progress on these plans.

The questions to be addressed at this meeting include:

- Is HIPC a panacea or old wine I new bottle to debt sustainability? or is debt sustainability a myth?
- Do PRSPs really address the poverty challenge in many countries? As countries move from first round PRSPs to second rounds, is there any improvement in the lives of the majority attributed to these?
- Have governments been able to support the implementation of poverty reduction strategies? Or are these strategies proving to be a perpetuation of unfulfilling policies?
- What are the pros and cons of HIPC and PRSP in achieving sustainable development of poor countries?

- What should be the status of PRSP in Zambia after HIPC completion?
- How can PRSPs and other development programmes be integrated into a comprehensive national development plan?

The roundtable provides an opportunity to share experiences of stakeholders on these crucial issues which would help to develop a suitable advocacy platform for the civil society.

We are pleased to invite you and your organization to this event. Your participation at this roundtable would be highly appreciated. In case you are not able to join us due to prior commitments, please nominate a senior colleague.

Looking forward to your valued response.

With kind regards,

Yours sincerely

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