Report of the SARPN policy dialogue:
"It Is Almost Half Time": Will the SADC Region Achieve the Millennium Development Goals (MDGs) by the Target Date of 2015?

27 June 2007
Johannesburg, South Africa

INTRODUCTION

The Southern Africa Regional Poverty Network (SARPN) organised a policy dialogue, held at the United Nations Development Programme (UNDP) Regional Services Centre in Johannesburg, South Africa on 27 June 2007. Entitled, "It Is Almost Half Time: Will the SADC Region Achieve the Millennium Development Goals (MDGs) by the Target Date of 2015?", the policy dialogue sought to take stock of progress made, at the halfway point, towards the achievement of the MDGs and to propose practical options for civil society engagement to accelerate progress in the SADC region. The policy dialogue brought together representatives of civil society, government and intergovernmental organisations from throughout the region, and was funded by Diakonia**.**

Ms. Sue Mbaya, Director of SARPN, explained that SARPN's role in the regional process of taking stock of progress toward the MDGs is: first, to ensure that poverty remains at the centre of discussions on the MDGs; second, to highlight civil society's role. Ms. Mbaya emphasized that the policy dialogue should move beyond the traditional, generic questions about whether the MDGs are appropriate and whose agenda they represent, to focus on identifying options and responses to accelerate progress in the region. She added that participants could contribute to SARPN's quarterly publication, *MDG Bulletin,* through their participation in the meeting, or by writing articles.

Mr. Jack Jones Zulu, Economic Dimensions Programme Manager at SARPN, highlighted the importance of learning from national processes and ensuring that these link to each other and to regional and global processes. He also expressed the hope that the policy dialogue, and future e-discussions, could contribute to the building of a network of well-informed practitioners to share information and monitor progress toward the MDGs. Mr. Zulu posed a number of questions for participants to consider, in light of the poor progress of the SADC region towards achieving the MDGs:

- Why haven't we made progress, despite increased aid?
- Which strategies and programmes are working, and which are not?
- Do we need to build new partnerships?
- What efforts are required to fast track progress?
- How can we support our governments in this endeavour?

PRESENTATIONS

Over the course of the policy dialogue, a number of experts presented papers on different aspects of the MDGs, to provide background information and launch discussions. The presentations were followed by a lively debate amongst participants.

1. MDGs: Promises and actions

In his presentation, Henri Valot of Civicus, described the various critiques of the MDGs, which are sometimes referred to as "minimalist development goals" or "most distracting gimmick," and outlined the process by which CSOs came to embrace the MDG agenda.

Amongst others, the MDGs initially were criticised for their betrayal of previous donor commitments, lack of CSO input, unacceptable targets and indicators, legitimisation of privatisation of public services and failure to incorporate lessons learned. Civicus attempted constructive engagement with the World Bank, the UN and other multilaterals around the MDGs, with varying results. Engagement with multilateral institutions was one area in which CSOs could develop better strategies.

The SADC region is not on track to meet the MDGs. Mr. Valot presented data from Social Watch (see report, *When Will Dignity for All be Achieved?*), showing just how far the region still has to go. He recommended a number of possible actions for CSOs to support acceleration of progress, including:

a) Monitoring progress;
b) Campaigning and putting pressure on governments at national level (one example of this is the "Global Call to Action Against Poverty");
c) Presenting policy alternatives;
d) Localising MDGs and even delivering services.

Mr. Valot also discussed four key issues that impact upon the region's ability to achieve the MDG targets, namely:

a) Debt relief: There is a need for full, rather than selective, cancellation and empowerment of the debtors. The African Union (AU) could lead in the development and implementation of a debtor strategy (Charles Abugre, Christian Aid).
b) Aid effectiveness: While the Paris Declaration was an important milestone, it ignores the role of CSOs as development actors. Therefore, at a Paris Declaration review meeting in September 2007, there is a need for revisions to acknowledge the role of CSOs; align donor approaches with a better understanding of aid modalities; resolve the tension between local ownership and donor conditionalities; and assure independent assessments of progress for improved development results (from Reality of Aid).
c) Financing for development: Mr. Valot stressed the importance of mobilising local/domestic resources, which also promotes democratic accountability. He referred to Africa as a continent that "leaks heavily" (Abugre), and recommended a number of measures including corporate transparency campaigns; an end to unfair tax concessions; adoption of progressive tax regimes; an end to banking secrecy; and the return of stolen wealth to Africa.
d) Economic policies: The "second generation poverty reduction strategies" should be based on the MDGs and focus on stimulating rapid growth, not fixated on macroeconomic stabilisation (McKinley). National ownership of the development agenda is essential, through broader consultation.

In conclusion, Mr. Valot recommended more comprehensive policy changes based on a holistic approach to poverty; the promotion of democratic governance and citizens' rights; and measuring development policy impact against human rights obligations. He also emphasised the importance of a sustainable human development approach, which recognises people's knowledge, skills, experience, culture, energy, and inventiveness as national assets.

2. Current Macroeconomic Frameworks, Challenges and Alternatives for the Attainment of the MDGs

Dr. Jessmen Chipika began her presentation with a brief overview of the progress, or lack thereof, towards each of the eight MDGs. She noted that the only goal that seems to be on target is primary education, but pointed out that the indicators do not include quality, which is a serious weakness if they are to drive a sustainable development agenda. Dr. Chipika attributed the region's slow progress to a number of challenges, including high levels of poverty, low growth, the heavy debt burden, declining ODA, inequality (income and gender), the HIV/AIDS pandemic, natural resource degradation and governance.

Dr. Chipika then reviewed the recent history of macroeconomic policy frameworks that have been adopted by, or imposed upon, the region. Many countries adopted neo-liberal structural adjustment programmes (SAPs), promoted by the Bretton Woods institutions. International Monetary Fund (IMF) programmes sought to achieve macroeconomic stabilisation, which entails restoring the economy to the financial/monetary equilibrium position that existed before a shock, by focusing on financial variables such as inflation. The World Bank's adjustment programmes aimed to change the configuration of the economic equilibrium by encouraging efficient resource allocation and thereby increasing economic growth.

The key features of SAPs were: a) an export oriented growth strategy; b) in factor markets, a reduction of financial repression; restoration of solvency to the financial system; improvements of banking infrastructure; c) real wage flexibility in the labour market; d) prohibition of infant industry protection; e) elimination of economic planning because of reliance on markets.

Neo-liberal policies were based on the assumption that markets are efficient and government intervention is inefficient, so they forced African governments to withdraw from intervening in resource allocation. That was where they failed Africa. Some of the negative impacts of neo-liberal policies included:

- Three-quarters of sub-Saharan African countries registered declining per capita incomes; over half saw declining investment and accelerating inflation;
- The collapse of indigenous industries, as a result of wholesale liberalisation;
- Final product flooding and dumping, especially from China
- Increased vulnerability to shocks, due to the high mobility of international capital;
- Absence of technology transfer;
- Weakened African states- especially the social delivery systems.

As a result of these negative consequences, SAPs were criticised as privatisation programmes, or even a recolonisation of the South. Yet the post-colonial African state was also labelled predatory, patrimonial, clientelist, and therefore unable to drive development agenda. The question that emerges is: what capacity does the state need to deliver? Can a weakened and rolled back state deliver on MDG agenda? A strong state is needed to play a central role in development, for example through redistribution of the key means of production and wealth in the context of high levels of inequality.

At present, economic planning has returned under the Poverty Reduction Strategy Papers (PRSPs) and the MDGs. The challenge is to align the national development plan (NDP, with a 5-year time horizon), the PRSP (a 3 year strategy), and any other poverty-reduction or development frameworks.

Dr. Chipika also gave an overview of past and existing macro-economic frameworks for Africa, from the Lagos Plan of Action (1980), a state-led plan that emphasised self reliance instead of external resources, through the UN Program of Action for Africa's Economic Recovery and Development, to the African Alternative framework to SAPs for Socio-Economic Recovery and Transformation (AAF-SAP). The most recent and prevailing framework is the New Partnership for Africa's Development (NEPAD), which can be seen as the culmination of the other programmes. NEPAD is African initiated and driven, and is unique in its commitment to good governance.

In conclusion, Dr Chipika offered a number of recommendations to address the region's poor performance and accelerate achievement of the development agenda. These included:

a) The need for political commitment, in terms of good governance, accountability, transparency, participation, inclusiveness, as well as implementation of regional and global commitments.
b) Efficient resource allocation, by aligning national budgets to national development priorities (e.g. agriculture, health, education).
c) Broad partnership at local and global levels, between government, the private sector, civil society, communities, and other stakeholders.
d) Broad-based pro-growth, pro-poor, MDG-based, gender sensitive macro-economic frameworks that would contribute to sustained, non-enclave employment-creating growth.
e) Agrarian reform.
f) A focus on industrialization and value addition, because global terms of trade will never be favourable for the export of raw materials. Countries should balance export-led growth with protection of infant industries.
g) Efficient exploitation of natural resources.
h) Combating HIV/AIDS and reversing its effects.
i) Addressing the brain drain.
j) Creation of efficient social protection systems.
k) Genuine regional integration, which at present, is only happening through informal cross border trade (ICBT).
l) Harmonised regional data bases to monitor regional development progress.

3: The Role of CSOs in Policy Implementation and Monitoring of MDGs

Elijah Wachira of UNDP examined the role of CSOs in policy implementation and monitoring of the MDGs. He explained that monitoring runs through the entire policy cycle, from needs analysis through implementation and review. It can include short- to medium-term monitoring of results, as well as the longer-term monitoring of the impact of development interventions. Different tools exist for different types of monitoring. Government is often reluctant to partner with civil society because it views civil society as part of, or linked to, the opposition.

Mr Wachira highlighted a number of the potential contributions of civil society in this regard, such as:

a) engaging with periodic progress reports undertaken by government (through shadow surveys, dialogue, etc);
b) participating in conducting participatory poverty assessments (PPA);
c) preparing MDG reports (or supporting government preparation);
d) independent and credible policy research;
e) micro-level, non policy oriented participatory research which presents issues from the point of view of poor people- this offers relevant policy insights (captures context, holistic analysis, micro social dynamics) and can't be captured through other tools such as macro surveys;
f) public awareness-raising to stimulate public interest in addressing poverty and monitoring progress;
g) policy formulation- ensuring that the needs of the poor are prioritised; assessing sectoral submissions with regard to their focus on poverty or the MDGs; ensuring adequate public investment in community priorities; and determining benchmarks for policy monitoring.

Mr. Wachira highlighted the role of budgets in monitoring PRSP implementation, by comparing public expenditure on health and education to military expenditure and debt service. These expenditures can be monitored alongside ODA as percent of GDP and of the population living below poverty line.

The UN also has a key role, in facilitating partnerships between CSOs and governments in MDG report preparation and advocacy; supporting capacity development for civil society and government; supporting coalition-building and networking activities amongst CSOs; and linking civil society networks in the region to global networks (which facilitates capacity building and the contribution of the region to global initiatives). In Mozambique, for example, UNDP provided mentoring to CSO networks on policy analysis.

4. Assessing Resource Mobilisation and Management

Jack Jones Zulu of SARPN presented a paper on resource mobilisation on behalf of Charles Mutasa of AFRODAD, who was unable to attend the meeting. The presentation focused on MDG 8, the need for partnerships, for which there are no indicators to monitor progress. It called for reform of the policies and actions of rich countries; the democratisation of the international financial institutions; and the opening of policy space to citizens' groups. Mr. Mutasa's paper claimed that PRSPs are not truly national development blueprints as people do not have a say in the macroeconomic frameworks that underpin these programmes.

The paper called for a higher degree of selectivity with regard to foreign direct investment (FDI), to ensure that it benefits, rather than undermining, development and local industry. The paper also called for a balanced focus on trade, aid and debt issues, as multilateral debt relief without effective aid and fair trade is not sufficient for development.

The Paris Declaration, which seeks to improve aid delivery and support attainment of the MDGs, refers to a need for: a) ownership of development policies; b) donor alignment with national policies; c) donor harmonisation (and transparency); d) improved management for results/ outcomes/impact; and e) mutual accountability. Despite the Paris Declaration and other commitments, donors have not yet reached the promised level of 0.7% of GNP for aid.

Given the above, the region should also look to new sources of financing. Some of the proposals made so far are: an environmental tax/carbon tax; a global lottery; the international finance facility (IFF) proposed by the UK; or an air transport tax. The feasibility of the Tobin tax on cash transactions has been debated for 30 years, but it is hard to determine what its impact would be. Also important is the mobilisation of domestic financing for development, and the development of exit strategies for African countries to eliminate donor dependence.

In conclusion, the presentation made a number of recommendations. It emphasised that genuine ownership means directing national policy and involving national stakeholders, and recommended that governments retain the right to regulate investments and exchange rate regimes, while fighting corruption and the lack of accountability. The presentation called upon donors to: keep their promises; scale up aid and make it more predictable; deepen and enlarge debt relief; and stop Economic Partnership Agreements (EPAs, with the European Union) in the current form. Finally, the presentation recommended that CSOs: take advantage of opportunities for dialogue to talk about North-South accountability and insist that northern CSOs place mutual accountability on the agenda.

DISCUSSION

During the discussion that followed, participants raised a number of critical issues to be borne in mind during discussions of the role of civil society in accelerating progress towards the MDGs. These can be grouped into six clusters:

Nature and role of civil society

Participants discussed the heterogeneity of civil society, which is one of its strengths, but which also means different elements of civil society will have different roles and different scales of engagement. Some CSOs will partner with government while others will protest. This can also be confusing to government partners. Participants recommended that CSOs be proactive in engaging government, and that they develop advocacy tools and confidence-building measures, to make CS engagement less threatening to policy makers. Packaging information in an appropriate and credible fashion would also improve engagement. Capacity building for CSOs, particularly on issues of macroeconomic policy and financing for development would enhance the quality of engagement with government.

Scope of CSO engagement in policy processes

CSO engagement should be sustained throughout the entire policy process, from planning to implementation to monitoring and evaluation. In partnerships between CSOs and government or multi-lateral institutions, the strengths of each partner should be utilised. It is important to evaluate engagement to ensure that it is actually impacting on policies. Impact can be enhanced by prioritising and focusing civil society efforts, to avoid diffusion of limited resources. Partnership with the private sector can also be beneficial.

Best practices and lessons learned

Participants highlighted the value of compiling and disseminating best practices in terms of CSO engagement with government and its positive impact. Participants asked SARPN to undertake a mapping of good practice with regard to CSO engagement. For example, Tanzania and Mozambique provide good examples of CSO engagement in developing local implementation plans for achieving poverty reduction targets.

Regional context

Participants noted the need to define key terms, such as civil society and governance, in a manner appropriate to the regional context. They also agreed on the importance of setting local/ community level targets for the MDGs, to increase the relevance and legitimacy of the targets, and to accelerate implementation at local level. Similarly, indicators should encompass quality as well as quantitative change. Participants raised the importance of developing policies that are suitable to the regional context, rather than accepting externally-developed policies. In an environment of poverty, for example, the privatisation of essential services denies poor people their basic human rights.

National ownership

The lack of policy space for African governments to implement African development initiatives, given the high levels of donor dependence, was raised. NEPAD could be seen as a compromise, insofar as it was initiated by Africa but accepted by development partners. Participants agreed on the need for a strong state, which works in partnership with others, to deliver on the MDGs and other development objectives. Part of the value of CSO engagement is its contribution to the sustainability and national ownership of development efforts, by involving communities in policy processes. Participants emphasised the importance of mobilising domestic resources to achieve the MDGs, to eliminate conditionalities and ensure that resources go toward nationally-determined priorities, rather than donor priorities.

Financing for development
Participants discussed the value of harmonising aid through direct budget support, which reduces the administrative burden on recipient governments, but can also impact negatively on the funding available to CSOs. In the context of aid, the importance of full accountability in all directions (between donors, governments and civil society) was raised. Another key resource for financing development is trade. Fairer trade, combined with value addition, would generate greater revenues than ODA. This will also require infant industry protection, not full liberalisation. For example, the EPAs call for liberalisation, with the promise of support for "adjustment" costs. However, the funds of the European Development Facility are difficult to access and highly conditional. Participants noted that Kenya provides an example of a country that has broken out of donor dependence and is now producing budgets without aid factored in. Part of Zimbabwe's "Look East" policy is aimed at playing one power against another, as was the case during the Cold War, but it is also allowing in another possible oppressor. It was also noted that based on the amount of foreign currency that leaves Africa (as repatriated profits or capital flight), the continent is actually a net donor.

WAY FORWARD

During the closing session, participants identified a number of next steps and concrete actions to carry forward the issue of accelerating progress toward the attainment of the MDGs.

a) SARPN will launch an e-discussion, in July, based on some of the key messages that emerge from this policy dialogue, to broaden participation.
b) The papers will be disseminated through SARPN's quarterly MDG bulletin. They will also be distributed to the UN, which should enhance their impact.
c) Participating organisations, or SARPN, should provide briefs for governments, so they receive the information discussed.
d) With regard to the Paris Declaration, issues of aid harmonisation and effectiveness, and financing for development, there is an advisory group (comprised of six governments and six CSOs, including AFRODAD and the Third World Network) to prepare for the upcoming high level meeting in Ghana. Other civil society organisations can input through those CSOs, for example by calling for accountability across all groups in all directions and for a focus on outflows of resources (natural and financial) from Africa.
e) Civil society can also brief parliamentarians and other government officials to prepare them for the Accra meeting.
f) Space for sharing of information, including best practices and tools for tracking/monitoring progress on MDGs. One example is the Uganda Debt Network, which engages in participatory budgeting and tracking. A first step would be the mapping of what organisations are doing and where they are working. We could also solicit these good practices through the SARPN network/alerts and then host a meeting bringing together those who have contributed the best practices. This process should build upon ongoing mapping of regional CSOs and existing databases/ directories of contacts.
g) UNDP will have a regional workshop based on its pilot programme of engaging CSO networks and building their capacity to engage in policy processes (advocacy, monitoring etc). There will be a small workshop in the three pilot countries (Uganda, Mozambique and Tanzania), and a bigger one as well.
h) Training in economic literacy for CSOs to be able to engage with these issues, involve their constituents in macroeconomic processes and link these to microeconomic processes. One step would be to convene a regional meeting of alternative economists, with the aim of generating new policy options for the

region, to be disseminated throughout the region as a basis for advocacy. Most CSOs don't know where to find the state of the art in alternative economic thought.

i) Improved information and statistics in the region, which could be achieved through coordination of research efforts, and improved packaging of information to build government confidence in local academics and researchers.