

A Work Guide on Poverty Reduction & Parliament for Ghana Committees

*Commentary & Conclusions from the Workshop
Retreats of the Finance & Public Accounts
Committees, July, Akosombo – and from the
Video-Conference Sessions with Committees,
November-December, Accra*

*The Ghana-Canada Parliamentary Support
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1. Overview:

This Work-guide provides a review and summary of the main questions discussed, and the key conclusions reached, during a series of Parliamentary committee workshops, video-conferences, seminars and briefings from June, 2001 to January, 2002 – all built around the goal of increasing Parliamentary committee knowledge about and ability to oversee the Poverty Reduction Strategy Paper (PRSP) process in Ghana.

Some 40 Members of Parliament took part in these activities, mainly from the Finance, Public Accounts and Local Government Committees, in highly engaged and cross-partisan interactions with expert resource persons from Ghana and elsewhere, and with representatives of civil society groups (mainly from the poor North of the country.)

The main conclusions evident after all the exchanges were:

- The Poverty Reduction Strategy Paper process is extremely important, and M.P.s support it, and seek full Parliamentary involvement in future steps
- It is crucial that there be further capacity building work with Parliaments in Ghana and elsewhere to support such involvement, and make it fully effective and knowledgeable
- The Executive and the international community must change their approach to assure that Parliaments are fully involved, information is shared with complete openness with M.P.s, M.P.s are recognized as key representatives of the poor, and Parliamentary roles are built in at all stages of the PRSP policy process
- Social outreach by Parliament to community civil society groups of the poor is essential,
- Decentralization is a crucial element in poverty reduction efforts in Ghana, and
- The authority and influence of Parliaments in the budget cycle process and in monitoring should be emphasized as part of assuring the full contribution of M.P.s to achieving poverty reduction results in Ghana.

2. Background:

Since 1994, the Parliamentary Finance and Public Accounts Committees in Ghana have held an ongoing series of major workshops in co-operation with the Parliamentary Centre of Canada, the Ghana Ministry of Finance, the Canadian International Development Agency (CIDA,) the World Bank Institute and the Institute for Economic Affairs. Since 1999, the workshops have become part of a broader parliamentary committee support project that assists these committees in their work, so that the fullest possible discussion and input are achieved in trying to improve Ghana's economic performance. Video-conference sessions, policy briefings, work-guide publications and provision of expert information personnel have all been added to the original workshop focus.

The project takes committee members beyond the short-term press of immediate agendas, aiming to permit the building of relations of trust and openness across party lines, spur careful examination of fundamental economic trends and policy questions in Ghana, and lead to the development and application of new plans and improved governance approaches within ongoing committee activities. The particular focus of each activity is shaped by

ongoing consultation with leading members of the two committees in the months prior to the events, with a Project Steering Committee establishing broad priorities.

A special concern of the July 2001 set of workshop retreats in Akosombo was the transition to a new Parliament. Leaders of all parties had approved the work of the Finance and Public Accounts Committees in the 1997-2000 Parliament, and there was consensus that it was crucial to carry on to the next parliament the positive working style and strong contributions of these committees, even though there was a political discontinuity to overcome. The economic difficulties that have been growing in Ghana, leading to the decision to seek HIPC status, also make the work of these committees important.

The Ghanaian focus on poverty reduction evident in these workshops reflects a greatly increased emphasis on poverty as a global development concern in recent years, furthered by and reflected in the World Bank's 1999 *World Development Report*, and leading to the shift toward Poverty Reduction Strategy Papers as the centrepiece of debt-relief and concessional lending dialogue between aid-receiving countries and international institutions. There have been partnership activities among the Parliamentary Centre, various country parliaments (including Ghana,) and aid providing sources around this new focus. In particular, the 2000 Laurentian Seminar brought together African, Asian and other parliamentarians to begin work on poverty reduction initiatives – leading to a draft Handbook on the issue, and a widely-reviewed course outline to assist Parliaments to monitor and impact PRSP efforts.

The Project Steering Committee of the Ghana Parliamentary Support project decided that there should be a training initiative mounted in the October-December period to make this course available to Ghana M.P.s. Several committee chairs accordingly took part in a course planning meeting in Vienna in July. And in September, the committee chair for Local Government and Rural Development participated in a review session on PRSPs in Dakar at which his committee's involvement in the course was arranged. There was thus considerable Ghanaian input into shaping the components of the course – and the Ghana initiative also became a pilot test of the course.

3. Key Presentations at Akosombo:

The five main subject areas of focus during the July workshop retreats were:

- The Ghana Poverty Reduction Strategy, as it was developing
- The existing economic situation, and the HIPC decision
- Macro-economic pressures Ghana has been facing
- Parliament and the budget-cycle as a main policy tool for M.P.s, and
- The challenge of anti-corruption priorities.

Some 40 Members of Parliament took part in the sessions, with a particularly good turnout at the Public Accounts Committee workshop on July 1st. Women M.P.s were present at both retreats, but again in higher numbers at the first PAC session. At both sessions, however, the engagement of members was vigorous in discussions, and there was valuable informal interaction on a cross-party basis throughout the retreats.

A) The Ghana Poverty Reduction Strategy (GPRS:)

The most valuable material (highlighted by M.P.s in their reactions) presented the Ghana PRS. Although there had been considerable civil society involvement in GPRS discussions up to this point, M.P.s felt that they had not been involved, and stressed the value of this presentation. Mrs. Angela Brown Farhat, responsible for the Poverty Reduction Unit in the National Development Planning Council, made the presentation, covering background of the initiative, the process shaping it, the key elements within in, and what she felt were the roles and responsibilities of M.P.s .

Ghana has been making progress in reducing poverty, Mrs. Farhat said, with extreme poverty levels down by 9 percentage points between 1991-2 and 1998-9, but over a quarter of Ghanaians should still be considered extremely poor, with increased and high levels in the North especially. Social deprivation resulting from this is serious and widespread, with one in nine children dying before the fifth birthday, declining usage of medical personnel, and half of primary age children not in school in the North. Poor macro economic performance, high debt burdens and inflation, dwindling donor aid flows, and low social spending levels are amongst main factors underlying these poverty levels.

The Ghana Poverty Reduction Strategy, Mrs. Farhat stressed, was a long-term plan of “coordinated measures, policies and strategies including spending guidelines to accelerate poverty reduction.”

Key points within this mix were:

- Emphasis would go toward stabilizing the economy – laying the foundation for accelerated and equitable economic growth – reversing increases in poverty and service access in certain regions – and offsetting extreme poverty
- Scope of the GPRS would therefore cover the macro economic framework – growth strategies for gainful employment – service improvements in health, HIV/ AIDS, education, population control, water and sanitation, with special programmes for the vulnerable and extreme poor – improvements in governance – and financing the GPRS in a prudent manner
- The process of this work would have Core Teams for analysis/ prioritisation, community and district consultations on priorities, subsequent consultations between core teams and ministries, forums for civil society input, review of the results at a National Economic Dialogue, then drafting of a GPRS Policy Framework, leading to guidelines for the ministries in budget preparation, with finalisation of the GPRS and presentation of 2002-4 budget to Cabinet and Parliament
- The emerging specific targets were: overall poverty reduction from 39.5% to 30% by 2004, with extreme poverty down from 27% to 20% -- reduction of poverty among crop farmers from 59% to 45% -- with the reduction among other groups by 6 percentage points – reduced infant mortality rates from 57 deaths per 1000 births to 40 – lowered maternal mortality rates (214 per 100,000 to 160) -- eradication of malaria by 2010 and guinea worm by 2004 – and environmental improvement
- The economic strategy to achieve these results would focus on infrastructure and services for areas with growth potential as well as deprivation, promotion of

Ghana's core competency in agriculture (such as agri-business zones,) emphasis on non-traditional exports and small business, and better service delivery to the poor

- M.P.s were seen as important to include in the process to circulate information, obtain feedback and assist in monitoring of implementation.

B) Economic Pressures and the HIPC Decision:

Intertwined with these poverty reduction points for M.P.s, throughout both workshop retreat sessions, was consideration of the weakened economic performance of Ghana. Each committee recognized that the earlier superior national growth record had been replaced by stagnation and pressures that constrained social and economic choices.

The World Bank's country director, Peter Harrold, provided a broad presentation highlighting several key trends and assessments:

- On current prospects for Ghana, he focused on domestic debt, saying the country was now finally dealing with the unsustainable levels of debt that had been building up – implementing a fiscal framework that checks the accumulation of deficits based on too much optimism about capital inflows, and therefore adjusts spending to actual capital receipts rather than expected amounts promised – with restructuring of existing debt so as to reduce debt service payments – and eliminating some debt via proceeds from privatization
- **“The biggest development problem in Ghana is high interest rates,”** Harrold said, and tackling the debt problem aggressively is crucial to getting rates down
- External prospects are starting to improve somewhat for the country – with some recovery in cocoa prices (which is more important to Ghana than gold, where the outflows from resource receipts are high) – plus some easing in oil prices – so terms of trade pressures running so strongly against Ghana are turning more favourable
- Meanwhile, Ghana was admitted to the Highly Indebted Poor Country (HIPC) initiative in early July, and that will ultimately mean some \$2.2 billion in debt relief for the country – there should be some \$200 million in extra spending space in 2002 that results from this relief, in terms of debt service that need not be paid
- In the short run, therefore, Ghana faces very tight financial constraints, meaning it won't be able to spend its budget in 2001, and interest rates will remain very high until the end of the year – but the situation should open up somewhat in 2002
- Given this, it is important (Harrold said) that Parliament play a role in the Ghana PRS process – helping to move growth rates up to the 7-8% level, with a type of growth where the gains are shared with the North -- seeing to it that there is serious investment in human resource development (such as education, health and income support for the very poor) – and countering the exclusion and insecurity felt by key groups on the basis of gender et al, so people believe they can get out of poverty
- Decentralization is seen as a key mechanism for achieving changes in this direction.

C) Macro-Economic Constraints:

Two further presentations underlined points made by both Angela Farhat and Peter Harrold regarding the importance of the macro economic framework as a focus for poverty

reduction and improvement in economic performance. Professor Bart Armah, from the Institute for Economic Affairs, and Dr. George Apenteng, Executive Director of IEA, presented commentaries on macro instability, and achieving greater fiscal discipline.

The analysis and conclusions presented stressed the following points:

- Macro instability is seen to be reflected in high rates of inflation, currency depreciation, government deficits significantly higher than expected, based on spending well beyond approved budget envelopes – the roots of the instability are seen to be domestic borrowing by the government to cover the extra spending and finance the excessive deficit, expanding the money supply to spur inflation, and leading to high nominal interest rates that in turn discourage (“crowd out”) private sector domestic investment
- These sorts of instabilities are seen as having negative implications for growth and poverty since they undermine long-term investment due to uncertainties created, thereby hurting employment and discouraging agricultural projects where investment timeframes must be longer – instead trading activities thrive with quick turnovers, while inflation erodes producer incomes
- Analysis of patterns of government spending by Apenteng added a further feature to the mix – while revenue levels have increased significantly (as a result of measures such as the VAT,) debt service levels have increased far more dramatically, combined with expenditure overruns in various parts of the budget that have left actual deficits rising rapidly in recent years
- Macro-stability is seen by Armah as crucial for more leadership by the private sector in investment, especially in the agricultural sector (with such a sector allocation identified as positive for growth and poverty reduction purposes)
- Effective debt management is crucial to achieving stability, by closely monitoring and reducing the stock of domestic debt – better public expenditure management is also essential, with monitoring of commitments and cash transactions on a monthly basis – improved fiscal resource mobilization is also needed through incentives for Ghanaians abroad to invest at home, reduction of import duty exemptions, and strengthening of revenue collecting agencies
- Monetary policy improvements are also important – aimed at minimizing the impact of foreign exchange inflows on the domestic money supply – at improving the laws and procedures governing the banking sector – and at improving institutions for longer term savings in the Ghanaian economy.

D) Impacting the Budget Cycle for Economic Goals:

Certain of these prescriptions and suggestions are difficult for Parliamentary committees to pursue effectively. But the Ghana budget is very much an instrument over which Parliament has authority – particularly through the Finance and Public Accounts Committees. It may be difficult for M.P.s to deal with monetary policy matters – but the budget cycle process puts Parliament right in the centre of financial policy-making, spending allocations, revenue-raising choices and monitoring functions that are crucial to the dynamics of Ghana society.

The presentation on the budget cycle to the workshops was made by Dr. Steven Langdon, Senior Associate at the Parliamentary Centre, stressing the following:

- Budgets are not “events” in Parliament, rather the ongoing cycle of budget preparation, implementation & review represents a major means to achieve continuing public & parliamentary participation in shaping policy priorities -- this instrument can be used effectively to work for poverty reduction goals & results -- especially if the budget cycle is set in a multi-year framework (as is done in Ghana)
- The reason the budget is so important is that it is an ongoing process pervading all aspects of state action in continuing way, with detailed accounting and evaluation points year by year that provide comparative benchmarks
- Thus budgets are crucial for reviewing how PRSP’s are really being implemented – it is common to think spending reallocations to key activities are what is crucial (e.g. education, health) – but four other actions in the budget cycle may matter more: a) improving macro-economic management; b) more participation by the poor; c) raising public service effectiveness; and d) stressing poverty monitoring
- Key concern for monitoring: does money spent actually result in positive, sustained benefits to poor? -- structures of many budgets & public services mean much money is “eaten” by state employees (e.g. Uganda school case where officials diverted school infrastructure support funds to central office budgets) -- serious reform to change this requires energetic parliamentary oversight and accountability re public service performance
- Parliament must also safeguard participation by poor to assure poverty reduction efforts empower them – through M.P.s engaging closely with small, community-based civil society groups of the poor -- poverty reduction has to build linkages with the poor to pursue priorities that truly matter to them
- To achieve such significant results, parliamentary committees will need to engage the budget cycle at a variety of points, not just when spending estimates and audit reports are presented to Parliament.

E) Anti-Corruption Priorities:

A recurring priority in workshop retreats has been anti-corruption strategy, with the Ghana Anti-Corruption Coalition reporting to the PAC and Finance Committees since 1999. Inputs at these sessions were presented by Brian Sapat, Acting Executive Director of the Serious Fraud Office and by Dr. Sahr Kpundeh from the World Bank Institute.

Among major points made were the following:

- It has been seen as critical to fight corruption by improving governance systems in African countries – using an integrated approach to this has meant building a diagnostic plan based on interaction among various groups and leaders, drawing on an apolitical survey that identifies key corruption targets, and building a coalition to carry forward the consensus-based Action Plan that results
- Within Ghana, this approach has included key government agencies, main civil society groups (such as the Private Enterprise Foundation, the Centre for Democratic Development, and the Ghana Journalists Association,) and regional and national workshops to build a comprehensive strategy and commitment

- Increased transparency of governance, improvements in the judicial system, tighter monitoring of procurement (especially at district level,) and stronger oversight bodies such as the Auditor General have all been features of reform
- The new government has heightened the focus on this area, announcing a “Zero Tolerance for Corruption” policy, including a Code of Conduct for the executive, declaration of assets, an Office of Accountability in the Presidency, fast-track courts to improve administration of justice, and commitment to media openness.

4. Discussions & Questions Raised:

The approach at the workshop retreats stresses interaction among M.P.s, and considerable time is worked into agendas for smaller-sized discussion groups to dig into the details of presentations and pull together their recommendations. From these exchanges, future plans and priorities of the committees are expected to emerge with maximum participation and a degree of cross-partisan consensus building. At this workshop, four broad themes were underlined by M.P.s -- with considerable overlap amongst the themes.

One crucial theme, reflecting the presentations, was how to achieve greater macro economic stability in Ghana. Some M.P.s stressed that there was an external responsibility here, in that overseas support had failed to meet expectations for Ghana, and commodity price pressures (lower for cocoa and higher for oil) had hammered the economy badly in ways that were outside Ghanaian control. There was also much focus on internal concerns, though, particularly expenditure overruns on certain infrastructure areas, and weaknesses in revenue collections. One discussion group, for instance, stressed the points in Box 1:

Box 1: Comments on Expenditures:

- | |
|---|
| <ul style="list-style-type: none"> • Procurement procedures are a major financial drain and must be streamlined, especially in the Ministries of Education and Health • Revenue agencies could perform much better if they could retain a percentage of revenue raised to use in improved logistics for future collections • There should also be less discretion in granting exemptions • Such steps would help overcome the lack of financial discipline that so hurts macro stability in Ghana now |
|---|

A second main theme was the need to emphasize agricultural development to a much greater extent. This was seen as a key element in any successful poverty reduction strategy – and was also underlined as fundamental to improving Ghanaian economic performance. Group discussions pointed to:

- The need to diversify exports away from the concentration on cocoa
- Stabilization of farm produce prices for Ghanaians as a result that improved land tenure security and better marketing infrastructure could achieve
- Concentration on better storage facilities for farmers as an important plus, and
- The leadership that District Assemblies should take on agricultural issues, such as establishment of agro-processing activities.

The third focus of much discussion was the way that Parliament, after nine years of operation, should now exercise more authority and leadership on budget issues. Several leaders were at the workshops from the National Assembly in Nigeria, and they stressed the powers which they had to reshape expenditure proposals. These considerations influenced Ghana M.P.s – but so did the failures of executives in Ghana to exercise financial discipline and maintain macro economic stability.

For some M.P.s this meant building Parliament-based budget expertise, as with the Congressional Budget Office in the United States. Other M.P.s felt that trespassed too much on the role of the executive, but discussion groups did insist:

- Parliament should be more proactive at the budget preparation stage
- The reports from the Auditor General should be much more up-to-date, there should be internal audit reports reaching the PAC quickly, and monitoring of budget performance should be much tighter than it has been by Parliament
- Special efforts at control and requirements for Parliamentary approval should be exercised in election years to prevent vote-related over-spending
- Parliament should also be required to approve all extra domestic borrowing beyond budget-approved amounts
- Reallocation of expenditure items should be possible for Parliament, with subject matter committees playing key roles in shaping spending priorities, and

Finally, there was a major concentration on the poverty reduction process as a discussion theme. As one group put it, committee members “recognized the need to give the Ghana PRS a frontal attack if we are to meet the policy objectives of the programme. The group therefore recommended the establishment of a Parliamentary Sub Committee on Poverty Reduction. Currently there is no such pressure group within the Parliamentary structure that will constantly champion the cause of the programme.” As well as Finance and PAC, the Committee on Local Government and Rural Development was centred out as a key actor to work on the GPRS. These anti-poverty efforts, it was also recognized, connected closely to the anti-corruption, budget-cycle and macro stability issues discussed at the workshops.

Flowing from the workshops, therefore, committee leaders set in motion steps to build a stronger parliamentary role in the PRSP process in Ghana. A major move ahead in doing this, committee chairs decided, would be to hold a series of video-conference sessions.

5. Major Issues on Poverty Reduction Papers:

This section of the work-guide provides summaries of the four sessions that took place in November and December, aimed at increasing knowledge, developing ideas and planning steps to take in dealing with the Ghana Poverty Reduction Strategy.

The video-conferences were organized through the Distance Learning Centre at GIMPA, and involved 36 Members of Parliament – mostly from the Finance, Public Accounts, and Local Government & Rural Development Committees. In each session, there were several presentations made, but there was a strong effort to keep over half of the session for open discussion, and this led to many questions and comments being placed by participants. A

variation in presenters was also used (including several senior World Bank people, whom participants appreciated the chance to question – the chair of the Ethiopian Parliament’s budget committee, who was seen as a particularly valuable input by participants – a Kenyan advisor to the PRSP team there – and a Northern Ghana civil society leader.)

In addition to the presentations, there were also discussion groups in conjunction with each session, providing (usually) after-the-session reactions to several questions aimed to bring out key points (E.g. How can Parliaments help overcome control of the policy process by a small, unresponsive elite? What were the strengths and weaknesses of Tanzania’s PRSP so far as participation by the poor was concerned, and how did that affect policy choices? What three priorities should head the list for improving Parliament’s capacity to deal with the Ghana PRS in the future?) Generally, comments from the discussion groups were emailed to Ottawa, and a response was sent back -- this interchange then formed a first commentary during the next session.

The overall thrust of the sessions was to:

- Stress the many different continuing stages for PRSP oversight and input by Parliamentarians
- Convey the ways that interventions at any one stage could and should feed back within the policy process loop to keep improving governance performance, and
- Emphasize the potential for significant change that this new set of intervention possibilities provided, if there were serious participation by the poor and well-planned efforts by Parliaments to strengthen their capacity to act in this new arena.

The sessions were meant to comprise an integrated package, leading to ideas and further steps for the committees to work effectively on poverty reduction, with the greater substantive knowledge and sense of strategic entry points that the course would provide.

- Thus session one provided an overview of the origins of the PRSP thrust at the international level, outlined the various steps in the PRSP policy development-implementation process, and stressed how these changes meshed with important governance values of participation, transparency and accountability that would give the poor more say in socio-political decisions.
- Session two concentrated on the first key facet of poverty analysis and diagnosis – discussing how good data showing the roots and dimensions of poverty can bring out key features (such as problems faced by women, or major regional inequalities) that then help determine what policy choices will have the best results.
- Session three focused more on the key areas of policy choice that are emerging in many African cases (particularly problems faced by small-scale agriculture, weaknesses in education systems and macroeconomic instability,) and discussed how increased participation by poorer groups themselves can help achieve better policy selection and delivery in these key areas (preventing misuse of school financial resources, for instance.) Participation by civil society groups in the case of the Ghana PRSP’s policy choices was reviewed in this session to assess how well the interests of the poor were being furthered.
- Session four then moved to the two other crucial stages of the PRSP policy process – reflecting the PRSP choices in the budget in ways that achieve improved results – and close monitoring of how policies and procedures are implemented so as to see

if goals are really being achieved. This last extended session finished with a discussion of ways M.P.s felt that Parliament could improve its work on poverty reduction measures and the PRSP so as to bring results that benefit the poor.

The following are summary excerpts from the main presentations, by session:

Session One: Overview of the PRSP Process

PRSPs Are a New Emphasis:

- take poverty focus to wider international level involving new global financial inputs
- also attempt to structure changed power relations in local socio-economic context
- new policy thrusts main part of PRSPs
- but even more a comprehensive push to see that policy changes are really put into effect -- and achieve results!

Based around views of a “Vicious Circle of Poverty:”

- Deprivation of poor evident in material and social indicators
- But heart of poverty complexity may be combination of factors of exclusion - social, economic & political
- “Lack of power explains poverty which explains lack of power”
- This can help us understand why levels of poverty greater for women, many children, minority groups

So Focus on Empowerment:

- Thus view that growing “voice” & direct influence crucial for poor
- Many initiatives throughout the world to increase their participation and power
- But key instruments of empowerment in any given country hard to determine -- and strength of resistance may be underestimated

PRSPs: what are they? – *Ishak Diwan, World Bank*

Role of a Good PRS:

- Robust empirical basis—common frame for policymakers and national development debates.
- Basis for building broad internal consensus around priorities and establishing country ownership of strategies.
- A vehicle to mainstream poverty reduction, and establish consistency across instruments.
- An instrument that can improve budgetary resource allocations for poverty reduction.
- A tool for resource mobilization and aid coordination.

What are they? Substance

1. *Poverty Diagnostics*: Understand the features of poverty and the factors that determine it
2. *Policy Actions*: Choose priority actions to reduce poverty, in the short and longer term
3. *Indicators and Monitoring*: Set targets and identify indicators of progress, and systematically monitor results and feedback into decision making

What are they: Process

- The process and nature of participation will vary substantially across countries
- Relevant factors include : Nature of existing development dialogue
- Nature and role of parliament, civil society and local governments
- Is there systematic exclusion of certain groups?
- Capacity to expand these processes in the short term
- What is manageable and realistic will turn on these, and other factors

How good is your PRSP??

1. Consultation Process -- have all voices been listened to, taken into consideration?
2. Diagnostic: are poverty and its multi-dimensional aspects well understood?
3. Accountability: are the targets realistic? The indicators specified? Is there a credible monitoring system?
4. Content: are the recommended actions useful, feasible?

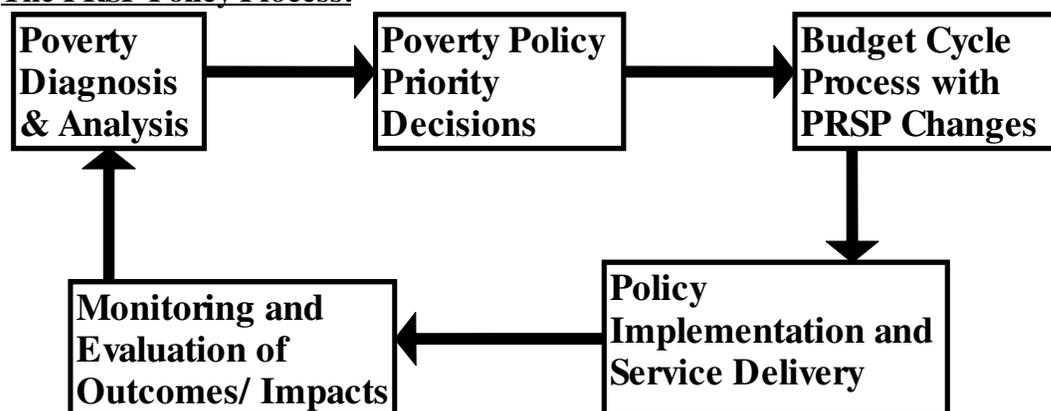
Links to debt reduction

1. Reschedulings cum conditionality a destructive game: short leash, simplistic solutions, bargaining, crowds our institutional development.
2. Debt Reduction provided to African countries over the years: bilaterals have also shifted to grants
3. The remaining debt problem still large; and is mainly related to multilateral debt.
4. The HIPC's problem: how to ensure that Debt Reduction benefits the poor? Links to PRSPs.
5. The goal of Debt Reduction is to create policy space, and to allow donors to be more selective
6. Country determines its strategy via PRSP
7. Donors comment, shift from Technical Assistance to capacity building and direct activism.
8. Harmonize standards, move from projects to sector and wholesale finance
9. Conditionality drawn from PRSP, becomes ex-post in order not to crowd out local policy space

Role of parliaments

1. PRS process needs to be aligned to national structures: planning, democracy, and accountability.
2. Parliaments have important approval and watchdog roles
3. Special committee for PRSP? 4. Needs for capacity building?

The PRSP Policy Process:



An interconnected set of steps by which poverty is analysed, priorities chosen, choices are given financial weight, implementation takes place, monitoring of actions and results is undertaken, and then policies are improved to achieve better results. The challenge to Parliament is to act at each of these stages to assure effectiveness, participation by the poor, transparency, and sustainable results.

Session Two: Poverty Analysis and Diagnosis

Analysis Stage is Focus of this Session: Probing Poverty

- Starting point: who are the poor, what are the roots of their poverty?
- Requires clear definition of poverty – multifaceted: E.g. for Burkina Faso: use 2300 calorie consumption minimum, measure of basic service access -- Then see where those below those measures live, their roles/ ties/ assets/ gender
- Carefully view changes in poverty levels over time

Analysis Leads to *Diagnosis: Reasons for Poverty*

- Details of who is poor, and change patterns, help explain poverty - this shapes policy responses
- E.g. Burkina Faso: rising poverty despite high growth, very poor food crop producers in 2 regions , serious problems for women - so improving food crops becomes focus, help to women
- E.g. Bolivia: land inequalities, major urban discrimination, shape poverty patterns -- so land reform & powers to local city community groups become key moves to bring improvement

What About Tanzania Case Study Examined in the Session?

- Tanzania had little recent data for PRSP, result was out-of-date and limited definition of poverty
- So analysis was very broad – identification of key target groups of poor inadequate – so policy ideas mainly macro – but officials knew there had been serious social spending drops, so stressed education & health service reforms, but these were poorly targeted in PRSP because of data gaps
- Heavy spending on education changes planned that may not help poor much at all

The Parliamentary Challenge:

- Parliaments should not itself expect to set the definitions & do the poverty analysis
- Challenge is to assess how well the analysis and diagnosis stage is being done > oversight role
- Also to contribute to wider understanding and public participation through this review, e.g. by a Poverty Committee > thereby contributing to transparency in governance
- Plus assess participation, especially by the poor, to help judge process and policies chosen

Main Analysis Questions?

- Is definition of poverty clear, data sources adequate? What probing is needed on changes?
- Is there a link between poverty & economic growth? (Uganda positive , Burkina Faso not so)
- What direct redistribution steps are therefore needed?
- How focus on assets not just incomes?
- Rural/ urban gap is important, **plus** poverty groupings in each area
- What governance issues matter?

Participation is Key Focus:

- Parliament's oversight re participation crucial
- Participation essential on analysis/ diagnosis – e.g. helped assure gender focus in Tanzania
- No judging of quality of country participation record by international finance institutions
- So Parliament must fill the gap – provide oversight guidelines for good participation

Questions to build Guidelines:

- Is it best to vary levels of participation by issue area, from “empowerment” to “consultation?”
- Full “empowerment” on certain issues (such as diagnosis,)“consultation” on others, like budgets?

- What should shape longer-run principles of PRSP participation (eg. importance of transparency, maximum inclusiveness, build on existing systems so they are strengthened?)
- How counter participation constraints (such as limited trust, abuse of confidences, lack of political will among government agents?)

How Stress Role of Poor?

- “Voices of Poor” study says broad civil society groups/ NGOs often not speaking for very poor - who instead have small local craft/ credit/ religious ties
- Can M.P.s link to poor in their home areas?
- Can M.P.s help solve problems poor see in dealings with local governments (these often seem captured by powerful local political elites?)
- How can M.P.s assure poor truly have ongoing input in poverty reduction policy?

Because Participation of Poor Can Reshape Policy Directions . . .

- Zambia example: use Participatory Poverty Assessment(PPA) to reach poor & listen - changed school fees, health systems, use of wealth data in deciding poverty policies
- Latin America: input by poor groups key to school reforms raising rural teacher salaries and morale, improving schools for rural poor children as a result
- Note Tanzania: gaps in poor participation (few random villagers chosen among 804 in workshops) - but did change views of importance of gender as factor in deepening poverty

The Importance of Participation – Najma Siddiqi, World Bank

Concept and ‘content’ of Participation:

- *Participation* is a process through which stakeholders can influence and share control over priority setting, policy-making, resource allocations and access to public goods and services
- Participation can be intra governmental or between different constituency groups
- In the context of PRS, participation is more valuable as a means rather than an end in itself

Civic Engagement:

Civic Engagement in the context of PRS is a process through which citizens and citizens’ organizations pursue a relationship with governments, markets, and other stakeholders in society to shape the local and national development agenda, and their own development through:

- influencing the formulation, implementation, and monitoring of policies, strategies and programs that affect them; and
- enhancing transparency and accountability of institutions and services, both public and private [e.g. Participatory Poverty Assessment in Uganda; Participatory Budgeting in Brazil and South Africa; and Citizens’ Score Card in Ukraine, India, and the Philippines]

Next Steps:

These changing roles and action initiatives highlight a need to move:

- beyond *designing* strategies to actual implementation and measurement of outcomes
- beyond *consultation* to engagement of citizens and their associations in preparing and achieving the national development agenda
- beyond *individual efforts* to effective intra and inter-constituency partnerships, leading to improved knowledge and skills, and mutual accountability and transparency at all levels

Session Three: PRSP Policy Choices:

Main Choices Made so far in Africa Show Common Pattern:

First 5 PRSPs in Africa show similar pro-poor policy emphases

- **Better Agriculture:** via rural credit, research & extension service, feeder roads, more market access, availability of inputs, & irrigation
- **Invest in Education** via better primary schools, lower fee barriers for poor, fewer drop-outs, access for girls
- **Improve Health:** via more rural focus, reform of delivery systems, health education
- **Better Governance:** in local government, policing, stress on community social development
- **Macro-economy stable:** low inflation, avoid domestic budget deficits & export-based taxes, minimize shocks

Parliament's Task . . .

- Heart of PRSP oversight role is to assess whether priorities chosen make sense, reflect participation & will achieve results
- Requires digging into details of new policies – because policy packages often like the past – what will bring results this time?
- Makes budget especially important, too

Specifics Matter:

- Particularities of how policies will work, how they will be implemented, & financing sources – details in PRSP (e.g. Burkina Faso rural health approach)
- These details permit Parliament to judge choices
- Contrast with Tanzania where details on education priority vague, little input to choices by Parliament, unclear targets resulted

Concerns to Emphasize:

- Too often policies do not do what they say they will, in countering poverty
- Accountability & transparency require major continuing efforts - hard to sustain, require much work to achieve
- Participation can so easily be token, not tied to ongoing civil society linkages that build social capital (of ongoing trust and cooperation in community,) thereby achieving real leverage

Effective Public Service Key:

- Concern: does money actually result in positive, sustained benefits to poor?
- Structures of many budgets & public services mean much money “eaten” by state employees
- Serious reform to change this requires energetic parliamentary oversight re public service performance on policy

Main Conclusions:

- Policy priorities must be chosen -- not everything can be done
- Parliaments should provide major input & oversee effectiveness of choices made
- Careful judgement of details crucial -- Check on performance of public service
- Stress participation by poor here, too -- requires special outreach effort to poor

Participation and Policy Choices in the Ghana PRS: *Dr. Sulley Gariba, Tamale*

This presentation noted that the PRSP approach is a process rather than an event. The GPRS document reads as an event, but the process of getting there and going on from it matters more. As a consultant to one of six core teams (on Governance), Dr. Gariba had direct experience with the evolution of the GPRS, and saw the wide range of institutions invited to be part of the core teams.

- Dr. Gariba pointed out that the process of consultation in Ghana did not really represent decision making in the PRS. Although credible information came out of the consultation, this by itself did not lead to the inclusion of the poor in the decision making process. According to him the process of consultation was information gathering that was subjected to additional analysis based on the Ghana Living Standards Survey.
- There were also problems in certain policy choices in the GPRS approach. While decentralization is recognized as an important opportunity for the poor to participate, so the GPRS requires a significant transfer of resources to districts, other reform requirements will at the same time compel centralized sectoral allocation of resources. “How could the government reconcile the allocation of resources to various sectors while also striving to make districts assemblies more effective and efficient?” Also, too many policy selections are put forward, without a focused strategy of core choices being identified to provide direction.
- Finally, Dr. Gariba stressed the importance of awareness, information and knowledge dissemination for the GPRS. Thus his organization had begun a social outreach effort to draw in civil society leaders in the northern regions where the incidence of poverty is highest. He urged Parliamentary committee leaders to interact with this outreach effort.

Session Four: Budgets and Monitoring

Poverty-Reduction Budgets Confront Major Structural Challenge:

- There is a core policy dilemma in pro-poor budgets: dynamic economic changes do not spread widely & evenly in most poorer countries
- Small groups gain from opportunities, but few positive links across society, given social imbalances/ poor infrastructure, so damage to other sectors can co-exist with gains
- Budget must try to counter this, but few ways to transfer resources (e.g. via taxes)
- More equal access to assets essential (like schooling, health, land) -- but hard to achieve

Budget as Process:

- Ongoing integrated set of activities to shape state financial planning & implementation
- Makes choices on public-sector priorities of the country, sets spending and revenue patterns, shaping what happens to specific sectors/ services
- Not just an event – *an ongoing cycle* -- Affects income distribution and social change
- Has impact on overall level of economic activity via aggregate demand, inflation, investment

Components of Budget Process Cycle:

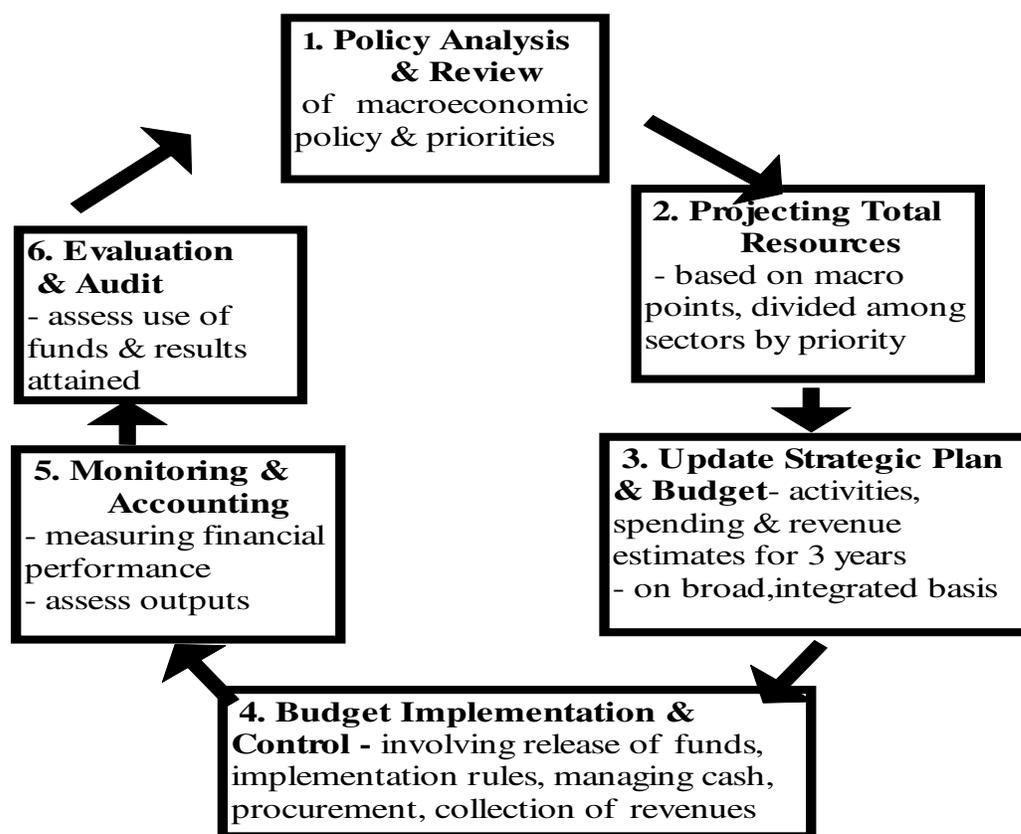
- Key internal planning & controls in budget cycle (led by Finance)
- cash/ debt management often special focus, forced by cash-based budget approach since external debt heavy
- internal audits, & managerial reporting
- Also more public phases of cycle (e.g. review of budget spending detail - financial reporting - independent audits - public accountability)

- Parliamentary role should be continuing throughout cycle via committees, debates, questions, etc. – inputs via Finance Committee, Local Government/Rural Development Committee, PAC especially important regarding poverty priorities
- Especially effective if budget cycle set in multi-year framework

MTEF (Medium-Term Expenditure Framework) is a Main PRSP Tool:

- Multi-year budgets give much more chance to shape poverty policies
- Also provide means to shape recurrent salary spending to get results, since framework sets out what salary recipients are to be doing, and the results their work is meant to achieve
- Plus ongoing basis for systematic checking of performance against measurement indicators
- Shorter period (3 years vs. 5 year plans) can predict macro/ export conditions better
- But big implementation challenges: needs much training – input of data must be careful and constant – good information must be provided to people about new systems

Budget Process Cycle (in MTEF Context)



Parliaments, Budgets, Poverty:

- Limiting their role to just small parts of this cycle would make it hard for Parliaments to use budgets to enforce oversight to reach poverty goals
- Common to think spending reallocations to key activities crucial (e.g. education, health)
- But likely more important to stress: a) more participation by the poor; b) raising public service effectiveness; c) monitoring
- Other budget priority is macro-economic stability – requiring input/ review throughout the cycle

Macro-stabilization Priority:

- Failed macro-economic stabilization sets off extreme internal imbalances (often related to external shocks) that deteriorate into GDP declines, destructively high rates of domestic inflation, and crises in state finances that over time lead to the breakdown of basic public infrastructure (e.g. roads, power supply, security systems) -- examples in Tanzania, Nigeria et al

Macro Economic Poverty Concerns for Parliaments:

- Should have broad macro models of economy to compare, examining various macro choices
- Examine means to improve asset distribution to improve living standards of the poor
- Prudent borrowing and protection of foreign reserves to minimize external shocks
- Fiscal policy that keeps taxes workable and fair, and blocks boom-time spending bursts
- Monetary policy with stability goals, plus exchange rates that buffer foreign shocks
- Finance PRSP moves in careful way, so domestic borrowing has low inflation impact

Plus Community Building:

- M.P.s can also help use budget process to work for integrity and improved economy if draw many civil society groups into economic governance, countering privileged access by elite
- National Economic Forums can help consensus-building, e.g. South Africa
- Also direct ties to budget process through communities & district governments – e.g. via local parliament committee hearings, strong local governments, decentralized spending

The PRSP Policy Cycle: Monitoring and Assessment Crucial:

- Parliaments have major responsibility to assess policies & programs: are inputs getting results? - requires stress on monitoring, using poor to participate, injecting lessons back into policy cycle
- Basic need to monitor results for poor on continuing basis -- careful poverty statistics crucial to understanding and useful action
- Set up indicators at start, test what they say about results, then improve policy methods et al

What does Monitoring Do?

- Want to learn about what is going wrong as well as what is going right, to correct policy
- Provides *independent* review of results
- So that fresh thinking responds to problems, rather than planners saying goals unrealistic
- Begins by identifying *indicators* right at start – these will allow judgement on outcomes of policies – are goals being met? How decide these indicators?
- Use qualitative & quantitative measures, track key data over time
- Essential to share results of monitoring

The Role of Parliament:

- Must oversee monitoring process, not do the work by itself – draw in civil society, the poor, identify institutions to build capacity (e.g. Office of Policy Analysis being set up in Parliament)
- Crucial stage for oversight of public service in implementation of anti-poverty policies – are new directions really being put in place?
- Budget implementation also important to monitor – too often spending not actually allocated in timely fashion, actions fail
- Must then connect back to policy diagnosis

Does Monitoring Matter Most?

- Many argue that achieving results in these poverty reduction efforts, given similar past policy packages for poor, depends on serious monitoring of implementation this time to assure results

- Africa Development Bank says this is where Parliament crucial: “Should be proactive, working with civil society on how to monitor and watchdog PRSP commitments to see they are met” – with reports circulated
- Can make the whole PRSP policy cycle work

Overall Conclusions:

- Parliament has key oversight tool in PRSP
- Main priorities: broaden participation of the poor; effective analysis of poverty causes and key target groups; improve effectiveness in anti-poverty programs; public service reform; stress macro-economic stabilization; better allocations toward anti-poverty expenditure areas; monitoring poverty reduction progress
- **Challenge to Parliament to take leadership**

Monitoring and Parliament in the Kenya PRSP -- Dr. Mbuyi Wagacha, Director of Research, IPAR, Nairobi, Kenya

Kenya has a triangular approach to growth, development and poverty reduction, combining a) The National Poverty Eradication Plan (NPEP); b) The National Development Plan; and c) the PRSP [the current PRSP period is 2001-2004]. The PRSP is central to the development of a **PRO-POOR** and **PRO-GROWTH** budget set in a Medium-Term Expenditure Framework

- **MONITORING AND EVALUATION** in Kenya is undertaken at different levels of consultation and authority which parliament could summon for hearings;
 - a. National Level: Policy making organs of Government; Sector Working Groups; Development Partners; Civil Society; Private Sector; Local Authorities.
 - b. The District Level: There are 70 districts in Kenya. Evaluation at this level is expected from the District Consultative Forum; District Administration; Government Departments; NGOs; Religious organizations and other stakeholders.
 - c. At Community Level: CBOs (Community-based Organizations); households.
- Selection of indicators is done within the context of setting out results to be achieved with respect to different areas of poverty reduction effort by particular ministries. Thus agricultural development goals are specified in terms of such indicators/ targets as the following: “Organize 500 demonstrations; 500 field days, 70 farmers courses, 70 professional group meetings, demonstrations and field days; for 200 women groups, print 2000 extension handbooks, publish 1200 copies of gender newsletter. Support 8 provincial shows, and 40 district shows.”
- These indicators are then to be reviewed by the Technical Taskforce, in association with the Central Bureau of Statistics, to see whether results are being obtained, with corrective action to be taken if that is not the case; the Taskforce is meant to work with different levels of the monitoring groups noted above, preparing reports with them – although the reality in Kenya is that no such monitoring reports are yet being prepared, raising questions about how seriously targets are being monitored and pursued
- This in turn provides an entry point for Parliament to take action to try to have PRSP efforts taken more seriously in the country.

Leadership by the Ethiopian Parliament -- Ato Mulugeta Mariam, M.P., Chair of the Budget Committee, Parliament of Ethiopia

The PRSP In Ethiopia:

Speaking from Ottawa, Ato Mulugeta described how his Budget Committee has played an important role in the developing PRSP process in Ethiopia. Mulugeta himself has been part of various technical planning committees, as Budget Committee chair. And Parliament is now being formally drawn into the wide consultation process, through the intervention of M.P.s at the local level. The Budget committee is also monitoring this participation systematically to assess the role of the poor and the integrity of the process of receiving input.

- Ato Mulugeta indicated that a total of 102 beneficiary communities had been selected for detailed consultation, and described the levels of the selection and approval process.
- He also indicated that Parliament had to be consulted at the national level, which was followed by regional and district level consultations. He hoped by the time they finalise their PRSP, it will be made sensitive to the education, health, and rural/ feeder road needs of the country. He added that their PRSP was not donor driven.
- He believed that choices were being well-focused and Ethiopia would have a good five-year poverty reduction programme. Parliament would have to approve the final strategy.

6. Key Concerns from Ghana M.P.s:

Throughout the four sessions of the video-conference, and the discussion groups and email exchanges between sessions, there was a set of fundamental concerns that emerged from the majority of the Ghanaian M.P.s taking part. Their involvement in the sessions was lively, highly engaged, and conveyed how much the subject focus mattered in the new Parliament, and the concerns reflected this sense of commitment and energetic participation.

Perhaps the main point from M.P.s throughout the sessions stressed the difficulty they perceived themselves as having had to achieve the chance for serious input into the PRSP process. Lack of information was underlined by some Members. Others felt that the international financial institutions themselves had ignored Parliament in developing the PRSP process. There was also a widespread view, cutting across party lines, that the Executive generally preferred to avoid scrutiny and oversight on a major set of policy steps such as those brought together in the PRSP. Other M.P.s suggested that the problem was more a matter of trying to move quickly because at first access to HIPC funds seemed to require a completed PRSP (though this linkage was later changed.)

The implication of this focus, of course, was a second strong viewpoint expressed by most M.P.s – they felt the PRSP was such an important initiative that it could not move forward without full formal involvement of Parliament as in Ethiopia. Yet at the same time, most M.P.s also stressed that there were severe information and knowledge gaps within Parliament that needed to be overcome to build the capacity to handle PRSP responsibilities effectively. The “course” was welcomed as a contribution to doing this (and was highly rated in the evaluation feedback from M.P.s) but it was recognized that there were areas where more detailed efforts at capacity building would be needed to follow up the sessions.

A third major theme expressed throughout the sessions emphasized decentralization in Ghana, and the need for the Ghana PRS to fully reflect decentralized structures of governance in working to reduce poverty. This was seen as a priority in truly reaching the poor – but also in achieving results. Especially with respect to the small-scale, localized efforts that are seen to be crucial for poverty reduction, decentralized and community-based systems are seen to be the means to assure success. Various M.P.s reacted positively to the critical comments of Dr. Gariba, suggesting that a centralized strategy to fight poverty somehow contradicted the localized nature of the work that would have to take place – by decentralized institutions rather than those at the centre. The District Development Common Fund was also suggested as at least one mechanism for countering the imbalances set in motion by overall economic growth in a non-integrated economic structure such as Ghana's, where gains in one sector do not connect easily to others.

Finally, a fourth major theme was that more parliamentary say in the budget context was essential to poverty reduction. It was commonly stressed throughout the sessions that Parliament was now reaching a level of maturity and experience that it deserved more authority in shaping budget choices and enforcing budget discipline than had been the case in the past in Ghana. In part, this view was clearly driven by the past failures in macro-stabilization policy of the executive, such as dramatic budget envelop over-runs. But in part, these parliamentary dynamics are also a reflection of the broader decentralization and participation momentum that increasingly undercuts the legitimacy of tightly held centralized power in budget decisions.

The Ghana M.P.s in these video-conference sessions expressed strong views on the importance of poverty reduction priorities. There is an energy and engagement supporting serious poverty reform efforts amongst these M.P.s that will be an important element carrying any sustainable PRSP process forward in Ghana.

But there is also concern that the present emerging Ghana Poverty Reduction Strategy be fully scrutinized and well-monitored by M.P.s, because it has not been developed in close conjunction with Parliament and may have weaknesses as a result.

6. Conclusions & Priorities:

The main conclusions of the workshops and video-conference sessions can be summarized:

- The Poverty Reduction Strategy Paper process is extremely important, and M.P.s support it, and seek full Parliamentary involvement in future steps
- It is crucial that there be further capacity building work with Parliaments in Ghana and elsewhere to support such involvement, and make it fully effective and knowledgeable
- Executives and the international community must change their approach to assure that Parliaments are fully involved, information is shared with complete openness with M.P.s, M.P.s are recognized as key representatives of the poor, and Parliamentary roles are built in at all stages of the PRSP policy process
- Decentralization is a crucial element in poverty reduction efforts in Ghana, and

- The authority and influence of Parliaments in the budget cycle process and in monitoring should be emphasized as part of assuring the full contribution of M.P.s to achieving poverty reduction results in Ghana.

In the process of working through these video-conferences, M.P.s on the three committees involved also drew out certain priorities that they felt were important to stress, in the course of the discussion groups week-by-week.

The first week, participants used the discussion groups to consider how best to assure that the policy-making process regarding poverty was not dominated by a small, closed group at the top. The priorities, they concluded, were two-fold:

- There must be strong emphasis on sharing power with the poor – on “empowerment” of those who actually experience poverty first-hand
- Reforms to the governance system were also seen as crucial to assure that democratic direction and involvement took place – the process of policy-making must be open and transparent (with the media playing a major role in circulating information,) there must be widespread public participation built into all stages of the process, and there must be a major role for Parliament to oversee and monitor all steps involved.

The second week, participants examined the strengths and weaknesses of the Tanzanian PRSP process to draw out lessons for Ghana. They saw considerable weaknesses in the Tanzanian PRSP, reflecting failures in the analysis/ diagnosis stage, in the participation by the poor at that stage, and in the policy priority identification that followed. The priority lessons to stress from Tanzania were:

- A country-specific definition of poverty is important, so that policy-makers and people will feel that “poverty in Ghana” is really being identified and analysed over time (as opposed to relying on any artificial “imported” definition.) Then good long-term analysis and data collection are essential
- The group divisions and distinctions analysed using this poverty data must be operational – that is, they need to represent target groups that can be identified and reached both for purposes of policy intervention, and to develop ways these groups can participate in the process. The “urban poor,” for instance, is a less useful group to analyse than “urban poor in the north” where the different experience and dynamics of poverty for such groups can be probed further with work in poorer districts of Tamale, Bolgatanga and Wa – and poverty policy responses can be built on why urban poverty has increased in Ghana in these areas (while it has declined in urban Accra.) Particular groupings of the poor can be identified and reached, through outreach techniques, in these areas to assure their participation
- Participation needs to be extensive and diverse, especially at the poverty analysis and diagnosis stage. The Tanzanian weakness at this step has undercut the whole ongoing development of the PRSP proposals and budget priorities in that country. For instance, there needs to be a consensus worked out on the importance of gender considerations, region by region, in shaping both the extent of poverty, and policy measures needed to take in countering it. To do this requires poor women to be drawn into the process, and this is often a large communication challenge.

- Another major lesson to stress is one positive feature of the Tanzanian case – the importance they have attached to macroeconomic concerns. Unlike Ghana, Tanzania has had great recent success in maintaining the value of its currency, preventing inflation and implementing fiscal stability in the budget. High levels of foreign investment have come into Tanzania in this context. Ghana can see benefits from this experience. But Tanzania also shows that this growth and macroeconomic emphasis has not been enough to counter poverty. So Ghana's Parliament should look for macroeconomic stability goals in the Ghana PRS, but also promote additional anti-poverty measures that are well linked to the analysis of poverty that has been made.
- Finally, the Tanzanian case shows that Parliament did play a key role in developing that PRSP, by identifying the need for regional analyses of poverty. Ghana can see from this how positive early parliamentary input can be.

The third week, M.P.s discussed what the policy priority choices should be in Ghana, and how Parliamentary oversight of the public service can help assure that such priority choices are implemented well. Main conclusions were:

- Some M.P.s underlined certain policy areas that deserved the greatest stress – education (and health) access for the poor, macro-economic stability, and rural development efforts aimed at key target groups such as poor farmers. Other M.P.s emphasized changes in processes, seeing governance reforms that brought more participation of the poor as crucial (the message of session one.)
- A relatively small and manageable set of priorities needs to be chosen
- On the second question, M.P.s identified some key ways to assure better public service performance to implement such priorities – and were particularly insightful in pointing to more parliamentary oversight via regular performance reports, a strong Committee on Assurances, and the importance of systematic monitoring -- such efforts will be even more effective if built on analysis/diagnosis steps plus widespread participation by the poor.

The final week, participants discussed within the video-conference session how best to improve the capacity of the Ghana parliament to contribute to the PRSP process. They stressed their virtually unanimous view that the PRSP document should come to Parliament for final approval before going on to the international financial institutions for detailed discussion and negotiation. Specific points made included:

- Select committees should have the time to have input and scrutinize the document, on the basis of the roles expected for different Ministries, Departments and Agencies
- There should be adequate funding provided to permit Parliament and its committees to carry out serious monitoring and evaluation of PRSP policy steps
- Access to information should be strengthened for M.P.s through improvement of the research facilities and experts on whom Parliament can call
- Regional and international linkages should be increased so that a network exists that can provide input and support to Parliament on these matters
- The authority of Parliament with respect to the budget should be increased so that it is clear M.P.s have leverage to assure budgets reflect poverty-reduction goals.

Finally, participants also stressed that there should be further steps to improve the effectiveness of M.P.s in following through on PRSP activities. Several immediate steps have been taken by the Parliamentary Support Project to do this.

8. Followup Points:

Two key messages of the PRSP video sessions were, first, that social outreach to civil society groups, especially those of the poor, was crucial to effective PRSP action, and second, that serious priority changes through budgets could be best achieved in a multi-year framework. M.P.s stressed that these areas were important for urgent followup activity, and this has taken place quickly through a Northern policy seminar with civil society groups in Tamale, and through an all-day briefing session on details of Medium Term Expenditure Frameworks in Accra, both held in January.

The first initiative, the Northern Outreach seminar, brought together leaders of the three Parliamentary committees in the PRSP video sessions with some 15-20 civil society representatives from the poorer northern regions of Ghana, for a series of interactions within the community (including a radio programme and village visit) and for three in-depth discussion groups focused on:

- Fiscal Policies affecting poverty reduction and the national budget;
- Financial accountability improvements needed for effective pro-poor policies and budgets; and
- Issues of decentralization and rural development.

The discussion sessions involved the three chairs of the committees, plus other leading M.P.s, and were substantive explorations of the subjects, with quite specific conclusions that emerged, such as the following:

- There should be a move towards composite budgeting where all departments prepare and defend their budgets at the district level where civil society can have a higher likelihood of participation. This, according to the working group, would ensure that budgets are developed within the overall framework set out in pursuit of macro-economic stability, while at the same time responding directly to the needs of the poor, and involving their representatives in planning and resource allocation.
- Strengthening is needed of parliamentary financial oversight responsibilities. There needs to be timely reporting by the Auditor General, and of district assembly audit officers in turn; there is also a need for constant interaction between the select committees of parliament and civil society, and there should be incorporated in Select Committee budgets a provision for outreach programmes
- There needs to be a discussion about fiscal decentralization. There needs to be a discussion about issues of power and control as there is a possibility of making a 'super ministry' through the local government ministry if all power is granted to the local level and that ministry supervises. Ministry personnel at the district level should instead be answerable to the district assemblies. Improvements in the new Local Government Bill should respond to these concerns.

Overall, the seminar was a dramatic success in bringing together in such an informal and interactive way representatives of the poor in the North, and senior Parliamentary committee leaders. The quality of the interaction, and the strongly positive evaluations of the sessions on both sides, confirm the value of such social outreach and the insights for committees that can result, as well as the rich information-sharing gains for civil society groups.

The seminar itself stressed the benefits of the interchanges, and aimed to build on them for the future, through:

- A “pilot” interactive activity during the review of the national budget
- Further linkage of the Social Outreach Programme to the work of the Information Research Co-ordinators for the purpose of sharing information from Northern Ghanaian civil society, and channelling this to the relevant Parliamentary Committees
- A more systematic mechanism for continuing to build capacities of both civil society and the Parliamentary Committees on oversight and monitoring of PRSP activity.

The second initiative in January was a briefing session for M.P.s on MTEF, held at IEA in Accra. Over 20 M.P.s (including the three committee chairs) took part, along with research and committee staff from Parliament, in detailed question-and-answer sessions with Prof. Bart Armah (IEA Fellow who had worked on GPRS drafting) and Sam Kabo (Ministry of Finance.) Explanations of the MTEF system, and the steps in the budget cycle involved in the new framework, were provided, and examples were reviewed of how priorities were specified (in the Ministry of Food and Agriculture,) and how specific outputs to be achieved were established so that these would be indicators against which progress could be measured in the future.

In that Ministry, for instance, targets included:

- Support the establishment of 50–agro-processing plants in northern and coastal savanna by 2002
- Delivery of services by ITTU increased by 50%
- Institute Land administration reform
- Proportion of farmers with access to dugout water facilities in Northern Ghana increases to 15%.

These targets/ indicators would then be clear to measure as evidence of delivery success or failure over the three year MTEF period, with financial allocations shaped by the different activities, and accountability for senior officials in the Ministry to meet the targets.

Over such a three year period, MTEF could also be used to reshape broad priorities in spending. For example, Prof. Armah noted that overall in the national budget, administration was to go from 29% of the total in 2001 to 23% by 2004, while Social Service allocations (31% in 2001) were to increase to 33.7 by 2004; Public Safety allocations were to remain the same, 8% in 2001, and 8% in 2004.

During the question and answer interchange, key problems with MTEF were identified by M.P.s for corrections, such as the following:

- Sam Kabo noted that Ghana did no macro economic model work of its own for the budget, relying on input from the IMF and the World Bank – it was strongly suggested that this should change, so that Ghana can explore more options for macro-economic stability using its own analytical perspectives and priorities
- The refusal of many ministries to contribute self-generated financial resources to the overall budget framework was noted by some M.P.s, and it was agreed that this was a key problem that needed correction; but it was hard to enforce such compliance so long as the MTEF system's record in carrying through with promised financial allocations was so weak
- Various administrative gaps in MTEF were also noted in detail, such as limited computer facilities, and data entry problems; these prevented confidence in MTEF and full utilization of the system
- The complications of combining comprehensive overall budgets using central allocation systems, with decentralized district level direction of service delivery felt to be crucial in Ghana, represent another dilemma at the heart of MTEF; some M.P.s raised this in saying no spatial dimensions of the national budget seemed to be evident, while others noted the lack of local co-ordination among ministries that was necessary to achieve development progress within a given district.

Overall, however, questions were able to clarify many uncertainties for M.P.s (such as the make-up of Budget Hearings within the Ministry of Finance, and the detailed steps surrounding the issue of the Budget Circular each year.) Evaluation levels were very positive for the usefulness of the sessions (though somewhat less so than for the video-conferences.)

It is clear that both these followup steps represented important and well-executed steps in building on the workshops retreats and video-conferences that themselves have helped start three key committees off well in the new 2001-2004 Ghanaian Parliament.

9) Further Reading and Websites:

There are many sources where Members of Parliament can investigate further the points discussed in this Work-guide. Here are four useful books:

- United Nations Development Programme, *Choices for the Poor: Lessons from National Poverty Strategies*, New York, 2001.
- Parliamentary Centre, *Handbook on Parliament and Policies to Reduce Poverty*, Ottawa, 2002.
- Augustine Ruzindana, M.P., et al, eds., *Fighting Corruption in Uganda*, Kampala, 1999.
- Lynn Brown and Joanna Kerr, *The Gender Dimension of Economic Reforms in Ghana, Mali and Zambia*, North-South Institute, 1997.

There are also very helpful websites that can be consulted via the Internet through the new facilities available in Parliament. These include:

- www.worldbank.org/poverty/strategies - This is the World Bank website on PRSPs and related material, including all country PRSP documents
- www.fao.org - The Food and Agriculture organization (Rome)
- www.uafparl.org - The African Parliamentary Union
- www.parlcent.parl.gc.ca - The Parliamentary Centre, Ottawa
- www.apnac.org – African Parliamentarians Network Against Corruption, Kampala
- www.undp.org – United Nations Development Programme
- www.iied.org – International Institute for Environment and Development
- www.icrw.org – International Centre for Research on Women
- www.icsw.org – International Council on Social Welfare
- www.ilo.org – International Labour Organization.

Steven Langdon, Director, Ghana-Canada Parliamentary Support Project, supported by Gifty Adika and Abdul-Nash Issahaku, Information Resource Co-ordinators, Accra, February, 2002.