

## **5REPUBLIC OF SENEGAL**

### **PREPARATION OF POVERTY REDUCTION STRATEGY PAPER (PRSP)**

#### **Technical Committee**

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#### **Preparation Status Report**

1. As part of the HIPC Initiative aimed at achieving a sustainable debt level based on the ratio of debt to exports, the Government of Senegal has undertaken with the Bretton Woods Institutions to prepare a Poverty Reduction Strategy Paper (PRSP) by end-December 2001.
2. The Poverty Reduction Strategy Paper (PRSP) describes poverty as it actually exists in all its forms, in order to define objectives and areas for intervention with a focus on findings that will guide government efforts, encouraging the participation of all stakeholders within a coherent macroeconomic framework designed to promote quality growth. Thus, it will provide the Government with a road map for the struggle against poverty and for the formulation of economic policy to foster growth. The PRSP will set out the policies, which Senegal intends to implement in the medium or long term, to significantly reduce poverty among its population.
3. The PRSP will serve as (i) a coordination tool to promote partnerships among the various stakeholders; (ii) a means of tapping resources and refocusing the Government's development actions around clearly defined objectives tied to performance and impact indicators; and (iii) a framework for effective community development.
4. This report describes the organizational framework, ways of involving social and economic players in the PRSP process and design, PRSP development modules, levels of participation of the various players, and the main thrusts of the draft PRSP.

#### **I. ORGANIZATIONAL FRAMEWORK FOR PRSP DEVELOPMENT**

5. The Government has adopted a broad-based participatory approach to developing the PRSP, involving all stakeholders in the government sector, private sector and civil society, and the development partners. The first steps in the PRSP development process were:
  - a) Drafting of the Terms of Reference (TOR) for the process;
  - b) Establishment and operation of the Technical Committee to draft the PRSP, comprising ministry departments with authority over the economy and finance, social services, as well as academics from the Center for Applied Economic Research (Centre de Recherches Economiques Appliquées, CREA);

- c) The establishment of a Permanent Secretariat to provide the Technical Committee with technical support, comprised of Senegalese experts working exclusively on implementation of the PRSP;
  - d) The establishment and operation of a Steering Committee comprising all sectors of government with authority over economic and social policy, elected officials, the private sector and civil society.
6. The TOR and organizational framework were validated by the participants at a seminar inaugurating the PRSP process held June 27-28, 2001.

## **II. INVOLVING SOCIAL AND ECONOMIC PLAYERS**

7. The first step toward involving the social and economic players in the PRSP process was to exhaustively identify civil society organizations and visit each at the grass-roots level, to explain the process, provide them with the TOR for the PRSP, and raise awareness of what is at stake for them by participating in the process.
8. The reason for meeting with the stakeholders was to elicit their views and suggestions, and to challenge them to participate by explaining that this was not “just another seminar on poverty.”
9. Some civil society stakeholders had reservations as to whether they would play a real and active part in designing the PRSP.
10. The availability of the Interim PRSP and circulation of the CREA contribution, which some perceived to be the strategy paper, was a source of confusion giving some members pause. In addition, the “Development Debates” organized by CREA and the World Bank and the substantial press coverage they drew added even more to this confusion.
11. The individualized contacts and participation by members of the Technical Committee and Permanent Secretariat in the PRSP development meetings made it possible to provide stakeholders with useful information on such matters as progress on preparations for the official inauguration of the process, thus making it more transparent in the eyes of the stakeholders.
12. The Technical Committee also produced a paper summarizing the available information on poverty in Senegal. For the paper, the Committee contacted a number of departments at line ministries (health, planning, education, water, etc.) and CREA for sectoral contributions and proposed analysis. A synthesis of these contributions was prepared, to serve as a working paper for the national inaugural seminar. It is worth noting that poverty was diagnosed using data from the Senegalese Household Survey (ESAM-I), which showed 58% of households as poor in 1994/95, with the understanding that the profiles would be updated based on the findings of the Core Welfare Indicators Questionnaire (CWIQ) (2001).

13. The PRSP process got underway officially with the inaugural seminar, which was held June 27-28, 2001. The seminar was also a participatory planning session which involved the diverse stakeholders in identifying activities and validating the TORs for the proposed modules. This process was intended to ensure PRSP ownership, even at this early stage. The risk of over- or under-representation of civil society participants was countered by the census of organizations using a method to prevent unbalanced representation.

14. This seminar marked the real start of the PRSP design process with participation by development players at the national and regional levels: government departments, civil society (NGOs, unions, women's groups, religious organizations, traditional authorities, training and research institutions, the government-sponsored and private press, farmers' associations, resource people, etc.), the private sector, and the development partners.

15. The principal outcomes of the seminar were validation of the participatory approach to the PRSP and recognition by the stakeholders of the challenges of the PRSP and their commitment to social mobilization to ensure real, quality participation.

### **III. PRSP DEVELOPMENT MODULES**

16. The seminar identified the following PRSP development activities:

#### **ESAM II - CWIQ Survey (Senegalese Household Survey)**

17. The need for poverty profile updates was pointed out at the inaugural seminar. The Planning and Statistics Directorate, which is conducting the survey, explained that the first stage of the survey planned for June-August 2001 (i.e., the CWIQ) should provide information from which poverty profiles can be extrapolated.

18. The first stage of the survey did, in fact, take place in June-August 2001. Estimates were based on ESAM I, and poverty profiles are being extrapolated based on the CWIQ.

#### **Studies on the perceptions of poverty**

19. Studies on the perceptions of poverty are designed to determine how the poor and the general population perceive well-being and poverty. The way populations view well-being, poverty, and their manifestations and determining factors dictates to a substantial degree how they behave and react in relation to public policy. Such perceptions must be incorporated into the poverty reduction strategy during the design phase.

20. Studies were conducted in 10 regions using 2 different approaches:

- A questionnaire yielding information on the incidence of poverty in each region. This qualitative/quantitative study on the perceptions of poverty uses the same sample as the ESAM-II. The survey findings indicate that 2 out of 3 households claim to be poor or very poor. In these studies households also set top priorities for the struggle against

poverty and explained what the authorities should do to give expression to the policy on good governance.

- A qualitative approach that employs participatory methods to elicit and analyze statements from society in general, and the poor in particular, on their experiences, strategies and priorities (Voices of the Poor, focus groups).

21. The reports of all regions were assessed and validated at restitution workshops by regional participants in the process.

### **Thematic groups**

22. Thematic groups were selected on the basis of what social and economic players considered to be the pillars of Senegal's poverty reduction strategy.

23. According to the inaugural seminar participants, Senegal's poverty reduction strategy should be structured around:

- *Wealth creation within a sound macroeconomic framework.* Research in conjunction with CREA showed that income growth per capita of one percentage point reduced the incidence of poverty by nearly the same amount, at constant income inequality.
- *Capacity building and expanded access to basic social services.* The more specific goals are to build human capital (health, education, etc.), social capital (good governance, decentralization, grass-roots organization, etc.) and natural capital (environment, sanitation, soil quality restoration, protection of ecosystems, etc.). These factors are the keys to growth in the medium and long term.
- *Better living conditions for vulnerable groups*, especially those who are particularly exposed, on the margins of the population (women, children, the handicapped and elderly, etc.), in the expectation that they will not feel the effect of policies designed to create broader-based wealth.
- *An effective implementation and tracking mechanism*, which should be based on an institutional structure with government and civil society involvement at the central and local levels.
- *A consistent macroeconomic framework.*

24. Upon completion of their work, the five groups selected at the national inaugural seminar—wealth creation, capacity building and expanded access to basic social services, better living conditions for vulnerable groups, PRSP implementation mechanisms, and macroeconomic framework—proposed specific objectives, major strategy areas, indicators and necessary action, together with an assessment of the costs.

25. The draft reports of all groups were presented and discussed at validation seminars with substantial participation by a variety of social and economic players, and the final reports were then prepared taking the input into account.

### **Regional consultations**

26. Regional consultations were organized throughout the country as a way to foster real participation by regional players. Specifically, these regional workshops were used to refine the poverty profile through study of the regional context and local conditions, review sectoral policies in the region, review regional plans as they relate to poverty reduction objectives, and assess poverty reduction programs and actions conducted by government departments, local governments, NGOs and other civil society players to note lessons learned. The outcomes of these regional consultations, finally, were a set of top priorities with tracking indicators and the identification of poverty reduction measures and an action plan.

27. The documents used for the consultations had already been examined and validated by the stakeholders, e.g., the poverty diagnosis paper, the reports on the “studies on the perceptions of poverty (focus groups),” and the regional mapping of access to basic social services.

### **Awareness campaign for grass-roots participation and capacity building for civil society organizations**

28. This campaign seeks to provide information and raise awareness of the PRSP development process among members of civil society and the general public, and to support capacity building so civil society can participate fully in the process. This campaign, which is to be conducted by civil society, should be launched in the near future with a press breakfast and continue throughout the PRSP process.

29. The specific goals of capacity building for civil society are to make civil society players aware of the HIPC/PRSP initiative and elicit their views, to ensure their active involvement in the PRSP design and implementation process, and to provide coordination and organizational assistance for the real and crucial contribution civil society will make to the development of the PRSP.

## **IV. LEVELS OF STAKEHOLDER PARTICIPATION**

30. Categories of players were targeted on the basis of different procedures and levels of involvement.

31. At the local level, regional line departments organized regional workshops chaired by the governors, where they provided information and discussed recent studies and experience in poverty reduction.

32. At the level of the thematic groups, departments in the line ministries produced memoranda on their sectors (often taking a participatory approach to their preparation), along with analysis papers. Some departments in sectors such as transportation, health and education commissioned studies to identify relationships between poverty and these social services, and so develop targeted strategies for the struggle against poverty.

33. Local populations participated by providing input at individual or group meetings and through their involvement in restitution workshops, where they provided additional information on local conditions. *The contribution of these populations was especially important for the analysis of breaking and tilting points in the poverty of new social groups, and for the analysis of perceptions of institutions.*
34. Elected officials took part in preparatory work and regional consultations.
35. Civil society organizations are conducting the awareness campaign and participating in work on other modules.
36. Consulting firms have provided technical support to the PRSP thematic groups in their work.
37. Donors and lenders have participated in the modules described above to varying degrees. Specifically, they have established special procedures to support the process both financially (CIDA, UNDP, the European Union, GTZ and ACBF) and technically (UNDP, FAO and USAID). It should be noted that some donors were willing to provide support, but funding had already been secured. These included France, the Netherlands, JICA and the ADB.

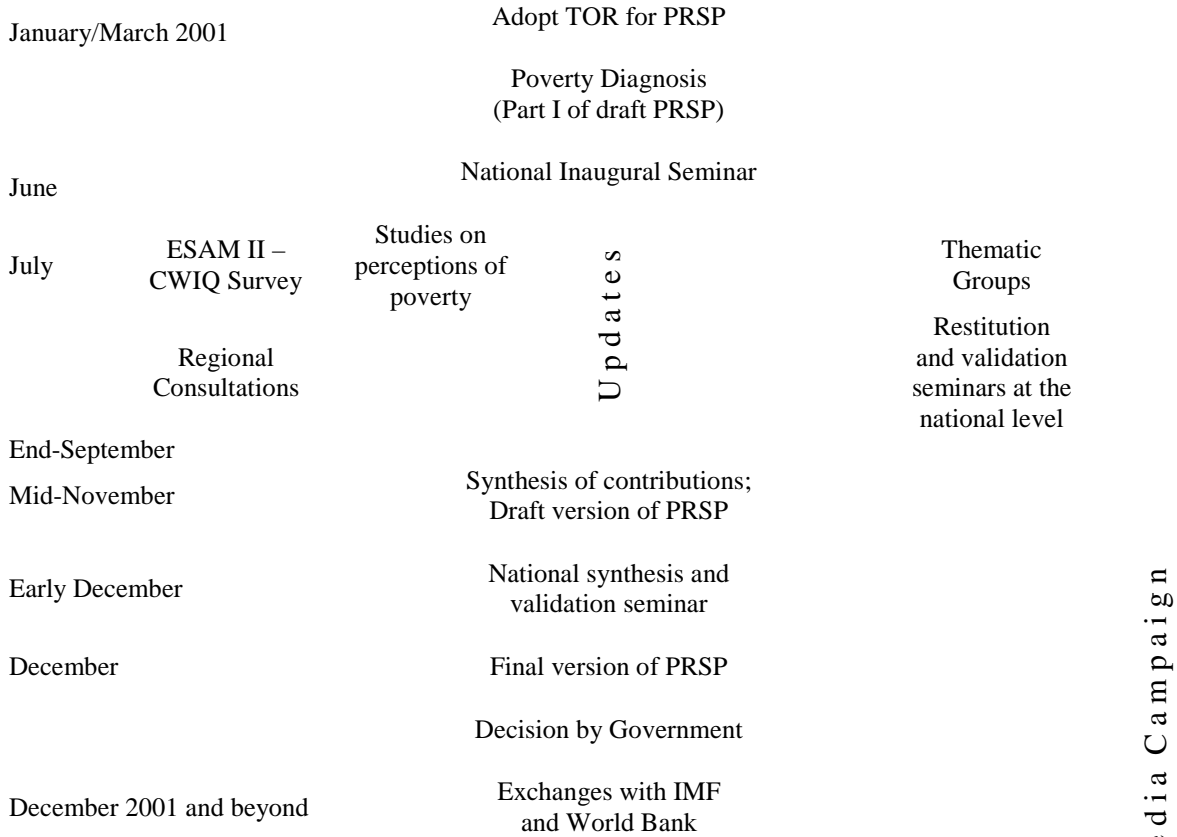
## V. MAIN THRUST OF THE DRAFT PRSP

38. The main thrusts of the draft version of the PRSP will include<sup>1</sup>:
- *Poverty diagnosis update* focusing on the characteristics of poor populations, manifestations of poverty, breaking factors (historical and structural), and obstacles to poverty reduction;
  - *General objectives* (2 or 3) based on an outlook for Senegal;
  - *Pillars of the strategy* and underlying arguments;
  - *Specific objectives and major strategy areas* for each pillar of the strategy;
  - *Annexes* (tracking indicators, action plan and priority action plan with a breakdown of funding, macroeconomic framework with a 3-year horizon, etc.).

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<sup>1</sup> Reports are available on the website of the Ministry of Economy and Finance at [www.finances.gouv.sn](http://www.finances.gouv.sn).

### Flow Diagram of the Participatory Process for the Poverty Reduction Strategy Paper (PRSP)



### IMPLEMENTATION of Poverty Reduction Strategy

Media Campaign