

APRM and the Policy Framework for Investment

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How Can PFI Support APRM?

- Recognise APRM is ***THE*** African process
- Can IFIs assist without overwhelming?
- Need for removal of separate MDG, IMF, HIPC/PRSP processes
- Capacity is a problem
- Tension of simplicity vs completeness
- Clear process rules/facilitation needed
- For Nepad & APRM -- how to influence African states?
 - Process more important than questions
 - Over the wall model
 - How to deliver government constituency
 - Need guidance on building consensus
- POA as work in progress

Programme of Action

- Concentration on problems far more than solutions
- Weak consultation on POA
- Business has not participated robustly
- How to cost items
- How to unify with other plans
- Time pressure leads to focus on easier, tangible action items
- Systemic, intractable problems get insufficient attention – particularly growth/investment
- Time-frames work against sound policy-making
- Need “further research/consensus” phase

APRM vs PFI

- APRM: 25 objectives, 58 questions, 183 indicators
 - Difficult to complete, strains capacity
 - Multiple goals
 - Substantial overlap between themes
 - To simplify or specify? Tension between already long process and need for sharper questions
 - Do we need questions or guidance?
- PFI: 10 areas, 82 questions
 - One overarching analytical perspective
 - Much more focused questions
 - Best practice guidance
 - Clarity on what principles inform good policy
 - Comes in context of consultation fatigue: PRSP, MDG, IMF, National vision strategies

PFI	APRM
1. Investment policy: 8 questions	Only weakly covered in APRM: Econ Obj 5: Regional integration including harmonisation of investment policies
2. Investment promotion and facilitation: 9 questions	Discussed only in context of whether investment promotion policies are supportive of regional integration
3. Trade policy: 7 questions	Economic Section but significantly less detail
4. Competition policy: 7 questions	Not effectively covered: Corp Obj 3, Q3 asks whether corp gov framework guides corporation, with Competition and tax policy in parenthesis in Indicator 3
5. Tax policy: 9 questions	Corp Obj 1: promote enabling environment, Q2 What is the regulatory framework for economic activities and to what extent does it facilitate commercial enterprise?
6. Corporate governance: 9 questions	Similar to Corp Gov Section
7. Policies for promoting responsible business conduct: 6 questions	Similar to Corp Gov obj 2: ensure Corps act as good citizens
8. Human resource development: 10 questions	Mentioned in context of capacity needed for regional integration efforts
9. Infrastructure and financial sector development: 8 questions	Socio-Economic Section but awkward thematic rather than sectoral structure
10. Public governance: 9 questions	Political and Economic Sections, more detailed than PFI

Overlaps & Researchability

Political	Corruption Oversight bodies Civil service	Economic
Political	Consultation Decentralisation Gender	Socio
Corporate	Economic Environment Finance Corruption	Economic
Socio	Sustainable Development Sectors/services	Economic

Corporate Gov Obj 1, Question 1: What are the main categories of commercial enterprise and what is their role in the economy?

(i) Please describe the main categories of commercial enterprise with reference to: The different types of enterprise, their ownership structures and their role in the economy including but not limited to public listed corporations, private listed companies, state owned enterprises, cooperative societies, family owned enterprises, informal sector, etc.,

The development history, current size and performance of the country's stock markets (if any);

(ii) Outline the key financial institutions that support businesses in the country including but not limited to banks, building societies, government agencies, investment schemes, international finance, microfinancing etc.;

(iii) Please provide an inventory of the domestic investment industry including but not limited to pension funds, mutual funds, banks and insurance corporations foreign investors and the extent of their equity holdings and involvement in the equity market;

(iv) Enumerate the key professional and business organisations, e.g. chambers of industry, manufacturers' associations, institute of directors, institute of chartered accountants etc



What's Missing in APRM?

- Sustainable development not defined, split between Econ and Socio sections
- Development focus on basic service themes not growth/investment
- Guidance on best practices and principles that inform how policy and institutions should be formed
- Processes of policy making, review are missing
- Corruption, oversight, civil service questions are weak, scattered

Reforming the APRM SAQ

1. Group like with like:

- Move development & macro-econ questions out of econ to socio
- Refocus Econ section on accountability and policy setting
- Move corruption out of political into reformed econ section focused on fiscal mgmt, oversight, corruption, civil service accountability
- Group rights-related questions in political, including participation from socio section
- Group decentralisation in new section
- Group gender in new section Problem/sector/institution format?

2. Merge questions & indicators in one list

I-2	Access to Information Law
6	In law do citizens have a right of access to information?
6a	In law, do citizens have a right of access information and basic government records?
6b	In law, do citizens have a right of appeal if access to a basic government record is denied?
7	In practice, is the right of access to information effective?
I-3	Freedom of the Media
8	In law, is freedom of the media guaranteed?
9	In law, is freedom of speech guaranteed?
10	Are citizens able to form media entities?
10a	In practice, the government does not create barriers to forming a media entity.
10b	In law, where a license is necessary, there is an appeal mechanism if a license is denied or revoked.
10c	In practice, where necessary, citizens can obtain a media license within a reasonable time period.

Reforming SAQ

3. Restructure for researchability: institutional review, remove themes, focus on 25 related clusters ie human rights
4. Accompany each question with best-practice guidance explaining what makes good policy and why question asked
5. Shorten questionnaire by asking for assessment of each sector with recommendations
6. Remove historical or excessive details
7. Focus on policy processes
8. Shift emphasis from *de jure* to *de facto*
9. Explicit question on implementation of Nepad
10. Translate revised questionnaire into standard household & expert templates
11. Ask for solutions in SAQ

Restructured Themes

Political and Democratic

- consolidate human rights
- add media freedom
- improve parliament & justice questions
- put all decentralisation/consultation questions together
- put all gender questions together

Economic Management

- Refocus section on policy-making and accountability systems
- Includes all corruption & civil service controls
- Includes more explicit questions on oversight bodies

Corporate

- draw ideas from PFI, Doing Business, Competitiveness

Socio-Economic

- Section on growth/investment including macro-econ
- Organise around sectoral review not themes for easier research

An example of reform – The Socio-Economic Section

Socio-Economic Questions

- To what extent does the country have effective ownership of the orientation and design of national development programmes?
- How is the national development programme funded?
- What is the country doing to accelerate socio-economic development and achieve sustainable development and poverty eradication?
- What measures has government taken to strengthen policy, delivery mechanisms and monitor outcomes in order to make progress towards the social development targets?
- What are the outcomes of the policies and mechanisms on social indicators?
- What policies and strategies has the government put in place to ensure that all citizens, in particular the rural and urban poor, have affordable access to basic needs?
- What mechanisms have been put in place to promote and encourage effective participation in development processes by key stakeholders?

Indicators

- Describe the steps taken in the design, adoption and implementation of national development programmes, outlining in your response information on all the stakeholders involved in the process;
- Assess the responsiveness of development projects to community needs;
- Describe the measures taken to sustain ownership of the development programmes including training, monitoring and evaluation.
- Provide the percentages of internal resources and external resources to fund the national budget, particularly with respect to national investment programmes;
- Assess the degree of the country's aid dependence in terms of: Total Debt ratio to GDP and Total Debt Service ratio to exports.

- Provide evidence of legal, policy and institutional steps to accelerate sustainable development and achieve poverty eradication
- Provide details of the volume and criteria for resource allocation to accelerate sustainable development and achieve poverty eradication;
- Describe the challenges that have been encountered in this regard and the measures taken to address constraints and sustain progress.
- Provide evidence of legal, policy and institutional steps to strengthen policy and delivery mechanisms;
- Provide details of the overall volume and criteria for resource allocation for this purpose;
- Present evidence of effective participation of all stakeholders in the design of policies, delivery mechanisms and monitoring of outcomes;
- Outline the challenges faced and efforts to address constraints.
- Describe the trends in social indicators over the past 5-10 years with regard to:
 - Health, especially with respect to infant mortality and malaria;
 - Prevalence rates for HIV/AIDS and other communicable diseases disaggregated by gender, and between rural and urban areas;
 - Education, particularly with respect to the rate of enrolment of girls in schools including tertiary institutions and other institutions of higher learning.
- Provide evidence of legal, policy, processes and institutional steps to ensure affordable access to basic needs;
- Provide evidence of the resources mobilised and allocated and criteria for such allocation;
- Describe the results achieved in terms of: Percentage of population disaggregated by region, residence, gender, social category, etc. with affordable access to basic needs; Availability and accessibility of basic services to rural and urban poor and other vulnerable groups; Particular impact of the privatisation of public utilities where applicable;
- Outline the challenges faced and steps to address these constraints.

Simplified Socio-Econ Section

- **Separate Growth & Job Strategy from Services**

Sectors

- Education
- Health (incl. HIV)
- Sanitation & water
- Transport
- ICT
- Electricity
- Agriculture/rural dev
- Food security

- **For each Sector identify the major problems and identify solutions, bearing in mind the following factors as vital to each sector:**

- Affordability of services
- Access to various regions & income levels
- Participation in planning
- Delivery & Mgmt
- Policy issues
- Ownership of plans
- Funding (recurring & capital)

Thank you

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