



*Parliamentary Centre
le Centre parlementaire*

AFRICA – ASIA POLICY DIALOGUE

“CORRUPTION, POVERTY AND GROWTH: PROGRESS, PROSPECTS AND CHALLENGES IN AFRICA AND ASIA”

Dar es Salaam, Tanzania September 25-27, 2006

1. BACKGROUND

Organized by the Parliamentary Centre and the Parliament of Tanzania, the second Africa-Asia Policy Dialogue was funded by the Canadian International Development Agency (CIDA) through the Africa-Canada Parliamentary Strengthening Program (ACPSP), with additional support coming from the World Bank Institute (WBI).

Linkages between poverty reduction, economic growth and corruption are not necessarily straight-forward, but certain issues are clear. Corruption has adverse effects on economic growth – it deters investment and affects good governance, wastes and distorts allocation of resources, undermines credibility of public authority and increases political insecurity. The combined effect of corruption and poverty has the potential to depress economic growth and increase inequality. Through their experiences (both positive and negative), Asia presents important lessons for development and poverty reduction in Africa, which is currently in search of models for sustainable development.

The World Bank Institute (WBI) in conjunction with the Canadian Parliamentary Centre is interested in fostering innovative ways and mechanisms to enhance the capacity for effective performance, oversight of public policy, and development in an effort to address the challenges posed by endemic poverty, corruption and unimpressive economic performance. Both The Parliamentary Centre and WBI believe that establishing mechanisms for mutual learning and the sharing of experiences between the two regions will present lessons for poverty reduction and development. This issue has been previously emphasized at the series of seminars and symposia organized under the Tokyo International Conference on Africa’s Development (TICAD).

The first Africa-Asia Policy Dialogue was held in Phnom Penh, Cambodia in 2004. Thus, the second Policy Dialogue, held in Dar es Salaam, Tanzania, was a chance to continue the networking that had started two years ago between African and Asian experts and Parliamentary leaders on issues of accountability and governance.

The three-day policy dialogue offered parliamentarians from the two regions the opportunity to share some of their experiences through presentations from policy makers, parliamentarians and academics; panel discussions as well as case studies from both Africa and Asia. Throughout the dialogue the three issues of corruption; poverty and economic growth were discussed, with very useful lessons emerging as case studies.

A key recommendation arising from the activity, is the need to establish further mechanisms for mutual learning between Asia and Africa, as both seek models for rapid economic growth and governance that is accountable and sustainable. Working closely with Parliaments is a critical element in this mutual learning process and has proven as such in this policy dialogue. Future dialogues will present a similar platform and program.

2. OBJECTIVES

The overall objectives for the policy dialogue are as follows:

- Develop a shared understanding about the linkages between corruption, growth and poverty and causes and consequences of each;
- Review experiences in Africa and Asia on the role of Parliament and members of Parliaments (MPs) in fostering accountability, in particular as this relates to monitoring poverty reduction, corruption and socio-economic development; and
- Foster networking and dialogue among African and Asian experts and Parliamentary leaders on issues of governance and accountability.

3. WORKSHOP SUMMARY

The policy dialogue brought together parliamentarians from Africa (Benin, Burkina Faso, Ghana, Kenya, Nigeria, Senegal, Tanzania, and Uganda); Asia (Cambodia, Philippines, Thailand, Indonesia, and Vietnam) as well as academics and policy makers from the two regions – Africa and Asia. *See attached for a comprehensive list of participants.*

The activity was hosted by the Parliament of Tanzania with official welcome and opening address given by the Deputy Speaker from the Parliament of Tanzania – Hon. Anne Makinda. Mr. Reid Sirrs (Deputy Canadian High Commissioner to Tanzania) and Dr. Rasheed Draman (Director, Africa Programs of the Parliamentary Centre) also shared opening remarks.

Nine topical issues were presented for panel discussion:

- Poverty Reduction and Fighting Corruption: Overview of Key Issues, Challenges and Progress;
- The Causality between Corruption, Poverty and Growth;
- Corruption in the Health Sector: Impact for Achieving the MDGs;

- Corruption in the Natural Resources Sector: Impact on Poverty Alleviation;
- Mechanisms to Fight Corruption and Alleviate Poverty;
- Eliminating World Poverty: Making Governance Work for the Poor (DFID White Paper 2006);
- Network and Committee Experiences: Issues and Challenges in Fighting Poverty and Corruption (Panel discussion); and
- Promoting Anti-Corruption Practices and Alleviating Poverty (Case Study).

4. OBSERVATIONS

Presentations thematically tackled the complexity and linkages of corruption, poverty and growth. These issues were poignantly captured by the presentation on “*The Causality between Corruption, Poverty and Growth*” in the context of the panel data from the eighteen African countries. Conclusive evidence from the dialogue points to the most substantive issue in the corruption battle, that being political will and wholehearted support from all stakeholders and all three arms of the state in addition to civil society organizations and the citizenry. Emphasis was also placed on the role of Parliament in the PRSP cycle not only in generating, input but in the evaluation process, ultimately ensuring that constituent concerns are addressed in issues of inequality.

The emerging observations from the dialogue are grouped under *governance* and *structural* issues.

I. Governance

Governance is multidimensional and anti-corruption strategies must equally be multifaceted to achieve desired results:

- Good governance is necessary, but honest leadership is also essential;
- A system of governance must have checks and balances. A dominant executive tends to concentrate power. A counterweight can be the creation of independent agencies, the participation of civil society and other stakeholders in the democratic processes. Parliamentary oversight needs to be strengthened through the budget process, parliamentary ethics, and financial and human resource support to parliaments as institutions in an effort to make them more autonomous institutions; and
- The issues of corruption, poverty and economic growth are rooted in political agendas, requiring political will to effectively address solutions.

II. Structural Issues

- Tackling policies and institutions are central to eliminating corruption;
- There is the need to administratively integrate the institutional and organizational levels of anti-corruption agents, doing away with the overlapping and under resourced, while enhancing the capacities of the agencies with proven success;

- Anti-corruption agencies should be guided to operate not as sole agents and opposition agitators;
- Parliament's role as an institution in the PRSP Cycle should be to add input to policy formulation, add approval to formulation and allow government to implement, monitor and subsequently allow parliament to evaluate this process. It is necessary in this process that constituent concerns are reflected in the analysis and implementation thus drawing parallels in the budget cycle;
- Policies, anti-poverty and otherwise are meaningful if they are reflected in the budget;
- Organizations and donors have a role to play in fighting corruption and poverty not just in terms of aid for capacity development but also in denouncing corrupt governments; and
- Linkages between national anti-corruption networks are as important as relationships between countries in anti-corruption strategies.

These *governance and structural issues* were reflected in a series of questions, comments and suggestions from participants. Thematic concerns are as follows:

- Substantive needs to combat corruption in the private sector.
- Issues of South-South linkages.
- The how-to's in establishing political will.
- The need to ensure Parliament remains completely autonomous (financial, human resource requirement, etc) so as to effectively play its role.
- Trying to create awareness around population growth as creating another dynamic angle on the issues of corruption.
- Truly understanding the successful policy approaches to Vietnamese pro-poor programs as well as Chinese anti-corruption strategies.
- The importance of strengthening parliamentary staff and institutional memory in the fight against corruption
- Concerns regarding the transparency and independence that anti-corruption agencies necessarily have when PM's are involved in appointing Chief Officers.?
- Creating regular dialogue between Parliamentary committees and government departments, agencies and heads of civil and public service at meetings as away of ensuring more effective transparency and accountability.

5. FIELD VISIT

As part of the policy dialogue participants visited the Ifakara Health Research Centre to acquaint themselves with health programs and transparencies in understanding the multi-sectoral approach to anti-corruption strategies. The visit was a practical demonstration of the implementation of a pro-poor policy guidelines and a testament of it taking place on a local level. The visit highlighted the reduction of malaria levels as a result of a campaign which pushed insecticide mosquito nets and effects of a simple measure through unified distribution. It is hoped that Tanzania may be a success story in achieving one of the UN's eight Millennium Development Goals.

6. CONCLUSIONS

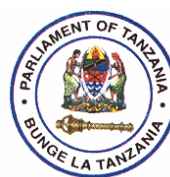
The three-day dialogue has aided in developing a shared understanding about the linkages between corruption, poverty and growth through the reviewed experiences in Africa and Asia thereby fostering and strengthening the case for further dialogue among African and Asian experts, academics and parliamentarians on issues of governance and accountability.

The dialogue brought to light the concern that the conventional mechanisms to fighting corruption – increasing the remuneration of public servants; strengthening administrative controls; strengthening the legislature and making it more autonomous; strengthening the legislative control of the executive; and strengthening law enforcement agencies – have proven to be “political and administrative myths” which only address some of the multifaceted issues of corruption. Addressing the issues of political patronage; the degree of nationalism; the organization of the nation state with a dominant executive; as well as thorough scrutiny of development strategies could be very potent ways of fighting corruption.

While civil society organizations (CSOs) have contributed to fighting poverty and combating corruption through monitoring; dissemination of information and advocacy; budget preparation and review analysis; promotion of good governance and accountability and community mobilization and social service delivery their efforts have not been optimal due to challenges they face. Future challenges that will need to be addressed include constraints to effective progress monitoring; ensuring reasonable attention to growth; monitoring at grassroots level; varying capacities of CSOs; balancing between CSOs as pressure groups and as key stakeholders in policy making; and mainstreaming poverty monitoring in government Monitoring and Evaluation.

ANNEX

- Program of Policy Dialogue



Africa-Asia Policy Dialogue

September 25-28, 2006
Dar es Salaam, Tanzania

Corruption, Poverty and Growth: Progress, Prospects and Challenges in Africa and Asia

Monday, September 25

Morning Last minute arrivals

13:30 – 14:00 **OFFICIAL WELCOME AND OPENING REMARKS**

Hon. Anne Makinda

Deputy Speaker, Parliament of Tanzania

Mr. Reid Sirrs

Deputy High Commissioner, Canada

Dr. Rasheed Draman

Director, Africa programs, Parliamentary Centre

14:00 – 15:00 **POVERTY REDUCTION AND FIGHTING CORRUPTION:
OVERVIEW OF KEY ISSUES, CHALLENGES AND PROGRESS**

- Overview of the latest poverty and corruption key issues in the world
- Challenges faced by governments in reducing poverty and fighting corruption
- Assessment of how Africa and Asia are doing in terms of achieving the MDGs and promoting good governance

Mr. Sok Hach

President, Economic Institute of Cambodia

15:00 – 15:30 BREAK

15:30 – 17:15 **PANEL - NETWORK AND COMMITTEE EXPERIENCES:
ISSUES AND CHALLENGES IN FIGHTING POVERTY AND
CORRUPTION**

- Brief presentation of committee/networks' work in their respective sector
- Priority issues for committee/network
- Achievements to date and challenges faced
- Looking to the future, what next for networks or committees

Hon. Anne Makinda

Deputy Speaker - Tanzania, African Parliamentary Poverty Reduction Network (APRN)

Hon. Augustine Ruzindana, Uganda/Kenya

Chair, African Parliamentary Network Against Corruption (APNAC)

Hon. Chea Cheth, Cambodia

South East Asian Parliamentarians against corruption (SEAPAC)

Moderator: Dr. Rasheed Draman, Parliamentary Centre

17:15 – 17:30 **FIELD VISIT INFORMATION SESSION**

- Information on next day field visit

Valerie Stam, Program Officer, Parliamentary Centre

19:30 DINNER RECEPTION

DFID White Paper 2006: Eliminating World Poverty: Making Governance

Work for the Poor

Speaker: **David Stanton**, DFID Tanzania

Chaired by: **Amelita Armit**, VP Programs, Parliamentary Centre

Tuesday, September 26

8:30 – 10:00 **THE CAUSALITY BETWEEN CORRUPTION, POVERTY AND GROWTH**

- Presentation of findings from a study funded by SISERA on the relationship between corruption, poverty and growth based on the notion of causality in the context of panel data (18 African countries).
- Implications for poverty reduction and anti-corruption efforts.

Dr. Felix Fofana N'Zue

Centre Ivoirien de Recherches Économiques et Sociales (CIRES)

- Presentation of findings on the relationship between corruption, poverty and growth based on studies conducted in Asia.
- Implications for poverty reduction and anti-corruption efforts.

Hon. Dang Van Thanh & Hon. Nguyen Chi Dung

National Assembly of Viet Nam

10:00 – 10:15 BREAK

10:15 – 11:00 **CASE STUDY: PROMOTING ANTI-CORRUPTION PRACTICES AND ALLEVIATING POVERTY**

- Case study from Asia illustrating how a specific country has been successfully dealing with poverty alleviation and decreasing corrupt practices.

- What actions, reforms, policies lead to such change? What conditions are needed?
- How did efforts in one area (i.e. poverty reduction) affect the other areas (i.e. corruption and growth)?

Mr. Rick Stapenhurst

Senior Public Sector Specialist, Governance Team, World Bank Institute

11:00 – 11:45 **CORRUPTION IN THE HEALTH SECTOR: IMPACT FOR ACHIEVING MDGS**

- Presentation of findings from a study undertaken by TI on corruption in the health sector and its impacts on service delivery and the poor. Recommendations for the health sector will also be shared.
- Implications for achieving the MDGs, especially MDG 1,4,5 and 6.

Mrs. Chantal Uwimana and Mrs. Doris Basler

Head of Sub Saharan Africa, Transparency International

11:45 – 12:30 **CORRUPTION IN THE NATURAL RESOURCES SECTOR: IMPACT ON POVERTY ALLEVIATION**

Hon. Patchili Bouzabo

National Assembly of Chad

12:30 – 13:30 LUNCH

13:30 – 17:00 **Field visit – Ifakara Health Research Center: Health program dealing with transparent practices.**

17:00 **Return to hotel and free evening**

Wednesday, September 27

8:30 – 10:00 **GROUP DISCUSSION ON FIELD VISIT FINDINGS**

10:00 – 10:30 BREAK

10:30 – 12:00 **MECHANISMS TO FIGHT CORRUPTION AND ALLEVIATE POVERTY**

- Institutional reforms, legal reforms, conventions and development frameworks, political will and leadership.
- What mechanisms seem to work best?

Dr. Ludeki Chweya

Consultant with the Kenya bilateral project, Parliamentary Centre

Senator Naline Taveesin

Head of Income Distribution Working Group, Member of the National Economic and Social Advisory Committee, Thailand (TBC)

12:30 – 13:30 LUNCH

13:30 – 15:30 **PANEL: ROLE OF STAKEHOLDERS IN FIGHTING POVERTY AND CORRUPTION**

How can parliamentarians be more effective in both fighting poverty and promoting accountability and transparency? What should be the priorities? What does it take to create more leaders in this area?

Hon. Khalifa Ababacar Sall

MP, Parliament of Senegal

How are the media and CSOs involved in poverty and anti-corruption efforts? How can the media and civil society partner with parliaments to ensure effective parliamentary oversight of poverty reduction and anti-corruption efforts?

Mr. Donald Mmari

Research on Poverty Alleviation (REPOA)

How can donors and the international community better contribute to poverty reduction and anti-corruption efforts in Africa and Asia; and how can they best support parliaments to become stronger institutions in overseeing the government, passing and drafting legislation and listening to the voices of the people?

Mr. Rick Staphenurst

Senior Public Sector Specialist, Governance Team, World Bank Institute

Mr. Reid Sirrs

Head of Aid, CIDA Tanzania

Moderator: Hon. Mitayani Tristani, Indonesia

15:30 – 16:00 BREAK

16:00 – 16:45 **ROLE OF STAKEHOLDERS IN FIGHTING POVERTY AND CORRUPTION**

Discussions continue

16:45 – 17:30 **Recommendations for way forward and conclusions**

Mrs. Amelita Armit

VP Programs, Parliamentary Centre

17:30 – 17:45 **Closing ceremony and vote of thanks**
Hon. Anne Makinda,
Deputy Speaker, Parliament of Tanzania