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50 years of Development Planning in Africa: Retrospect and Prospects

A new era of development planning is emerging in Africa, says the new head of the UN Economic Commission for Africa, in this wide-ranging review. He gave this opening speech at the 50th anniversary conference of the African Institute for Economic Development and Planning (IDEP).

By Carlos Lopes

I am pleased to welcome you to the celebration of IDEP's 50th anniversary. As many of you may already know, IDEP was created in 1962 specifically to strengthen the planning capacities of African countries. It is therefore fitting that the theme of this event is *"50 years of development planning in Africa"*.

Without a doubt, development planning is an important tool for anticipating and responding to emerging and current opportunities and challenges. And Africa, as we all know, faces multiple and diverse development challenges. **Despite many of the challenges, Africa is presented with a unique opportunity to transform itself.** Undoubtedly, the continent has achieved high and sustained levels of growth over the past ten years, resulting in what many have dubbed "Africa's decade." **With appropriate planning frameworks and implementation mechanisms, the continent can surely transform and continue to grow its economies over the coming years.**

In this regard, Africa must plan for development.

Development planning has a long and chequered history in Africa, and the continent's development trajectory has been influenced by various approaches to development planning since the early stages of independence.

The first phase of development planning in Africa spanned the 1960s and was characterized by centralized planning with three to five year planning phases. During this period, at least 32 African countries had a national development plan. This first generation of development plans continued to the 1980s. These plans promoted state-engineered economies with resources allocated by governments. It was notably the time of state-owned enterprises operating in most of the productive sectors.

However, Africa's development plans of the 1960s had limited success. This was due to a variety of

reasons: deficiencies in the plan documents surely, but also failure to implement them; ambitious formulation of targets; institutional and bureaucratic weaknesses; exogenous shocks; and political factors.

The second phase in the evolution of planning in Africa was marked by a wholesale abandonment of planning under neoliberal Structural Adjustment Programmes (SAPs), which emerged in the 1980s-1990s with the support of the Bretton Woods Institutions. SAPs aimed to reduce the role of the State in production and service delivery and placed emphasis on macroeconomic stability, downsizing of public sector institutions, privatization and reducing government spending and budget deficits. The social cost of SAPs is a sad story. The downsizing of the public sector institutions and massive privatizations led to net job losses; the budget restrictions compromised social service delivery and human capital development; and most importantly SAPs failed to yield the envisaged growth outcomes as the annual economic growth for Africa over the 1990s averaged only 2.1 per cent.

These past experiences in planning alerted policymakers and decision-makers to the need to broaden the agenda of public sector reforms and to the importance of good institutions in the development process, especially in the new context of globalization.

In the early 2000s, SAPs were replaced by Poverty Reduction Strategies, which aimed at reversing the negative effects of a decade of Structural Adjustment on welfare and social conditions. PRSPs placed strong emphasis on poverty reduction and constituted a conditionality for debt relief. Many African countries embarked on at least two generations of PRSPs, mostly to ensure eligibility for debt relief. Notwithstanding the principle of ownership and consultations that underpinned PRSPs, they lacked credibility because of the externally driven nature of the process. Furthermore, PRSPs tended to place disproportionate emphasis on the social sector at the expense of the productive sector thereby raising questions about the sustainability of the poverty reduction agenda.

This brings us to the present day, where there has been an emergence of a new era of Development Planning in Africa.

In the last decade, there has been increasing interest in, and a return to, more comprehensive development plans that go way beyond short-sighted PRSPs. Indeed, many African countries have adopted long-term development visions and planning frameworks with far more ambitious growth and social development objectives.

National Development Strategies (NDS) have now gone beyond the narrow objective of poverty reduction to encompass objectives such as accelerated growth, employment creation, structural transformation and sustainable development. Unlike the 1960s, these plans employ a mix of state and market-based approaches and appreciate the critical role of both the public and the private sector in the development process. Many African countries have developed Long Term Visions to guide their steps towards these ambitious objectives. These long-term visions are characterized by stronger ownership from African actors and a more consultative and participatory process involving a broad spectrum of stakeholders, including Civil Society, the private sector, decentralized constituencies and development partners. These broader national development plans often take into consideration various global and continental development goals and frameworks such as NEPAD.

Challenges however remain. They include, ensuring credible consultation processes, prioritizing funding in line with development aspirations, coordinating donors, strengthening capacities to implement projects and programmes, and developing effective monitoring and evaluation systems that feed back into the policymaking process.

In short, more work is required to improve the planning frameworks in Africa in order to translate development aspirations and priorities into concrete results.

ECA is committed to support the strengthening of member states' capacities to design, implement and monitor effective planning frameworks. To this end, the institution is undergoing a repositioning exercise that aims to better align its work with the priorities of the continent with the ultimate objective of promoting economic growth and structural transformation.

With the reemergence of planning as a continent-wide priority, IDEP will play a key role in capacity-building and assisting member states with their national development planning frameworks. IDEP's capacity building efforts will be informed by rigorous analytical and policy-oriented research aimed at identifying and applying relevant cutting-edge planning techniques and experiences to the design, implementation and monitoring of planning frameworks on the continent. To this end, ECA has created a section called "Renewal of Planning" which will comprise a team of planning experts dedicated to conducting planning-related research.

It is important to add that IDEP's mandate in the newly restructured ECA builds on a history of support to member states in the area of planning. In recent years, and on the basis of several country case studies conducted by ECA, we have developed trainings materials, and conducted a number of trainings on MDG-based planning tools and techniques.

In addition, between 2011 and 2012, ECA provided technical assistance to various countries including The Gambia, Togo, South Sudan, Djibouti, and Niger in the design, implementation and monitoring of medium-term development plans/strategies and long term development visions. We remain committed to strengthening our work in this area.

The effectiveness of national planning systems hinges largely on the quality and availability of data. Data informs the setting of priorities and facilitates the tracking of performance. ECA is cognizant of the data challenges faced by member states and is currently strengthening its institutional structures and processes to better support countries address their data challenges. Our statistical capacity will be multiplied by ten in one year. Our sub-regional offices will play an important role in this effort by according greater priority to the collection and assembly of credible data to support countries with their data needs.

Another important aspect is coordination. Coordination between ministries of finance and the ministries or entities in charge of development planning, among others, is likely to better link the planning cycles to those of the budget, therefore ensuring an effective implementation of the national development plan.

We can leverage our development planning capacities by developing mechanisms for peer learning and experience sharing. To support this effort ECA has developed a network of development planners which includes an electronic platform that will serve as a repository of literature of current research related to development planning. The platform will also include forums for discussion and exchange of ideas and experiences related to all aspects of planning.

Africa's turbulent experience with development planning in the past is ceding ground to a more positive outlook for the future. Indeed, there are some good examples of success stories among African countries, which graduated from low income countries to middle income countries (Cape Verde, Ghana, Zambia, Botswana). In addition, some African countries, such as Ethiopia, Nigeria and Uganda have adopted long-term development visions and planning frameworks with far more ambitious growth and social development objectives and more detailed strategies and policies than those typically included in PRSPs.

Policymakers in Africa also recognize the importance of development planning, acknowledge the challenges involved in their execution and are committed to strengthening their capacities for

effective planning. These commitments were reinforced during the 2011 Annual Conference of African Ministers of Finance, Planning and Economic Development, where policymakers reiterated the importance of strengthening national capacities for development planning in Africa. They also requested ECA to provide support to member states, the Regional Economic Communities (RECs) and the key regional organization, in developing national, sub-regional and regional development strategies. I can assure you that ECA will continue to support member states in this important area including in the areas of forecasting and conducting long-term projections and perspective studies.

Africa is at an exciting juncture in its development journey and is poised to become a new pole of global growth. To achieve this, however, Africa must continue to plan its development trajectory, increase policy space, and make prudent decisions about the appropriate strategies needed to achieve economic growth and structural transformation. It is indeed commonly said that failing to plan means planning to fail.

Our past and current experiences tell us that Africa does have several challenges in the area of development planning. But we also know that there are opportunities for
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strengthening the design, implementation and monitoring of national development strategies.

I will conclude by reiterating some key points.

Planning works and it has worked for many countries. It has worked for European, Latin American and East Asian countries. In fact, the experience of Brazil, India and China in reducing inequality and poverty and in embarking upon sound urbanization programmes provides important lessons in strategic and dynamic planning that requires our attention here in Africa.

Years of neoliberalism and structural adjustment and stabilization programmes and their dire economic and social consequences have prompted a renewed interest in development planning among African policy circles in recent years. This was further reinforced by the realization that economic success stories both across the continent, say Botswana, and East Asia have in large part kept a strong tradition of economic planning over the years. Furthermore, the ongoing global economic recession has shown the limits of market fundamentalism, having prompted widespread government intervention in the countries where you least expect such actions.

Planning works if it is strategic and carefully put together with good data and, more importantly, assiduously implemented. The Koreans will be the first to tell you that things did not always work according to plan but the difference is that they stuck with planning, changing things that didn't work, making modifications when necessary, and above all, doing everything possible to implement their development plans.

For planning to work, African countries must address the problems of past failures and at the same time learn from the experience of successful countries both inside and outside the continent. Planners in Africa must understand the changing nature of planning in a changing global context that requires not only context-specific approaches but also plans that are dynamic and sometimes targeted to specific outcomes.

The countries that have re-embarked in planning for the longer term, if they are to join the ranks of advanced economies, will need not just good economic policies but strong and accountable institutions

to support and implement them. They must also pay serious attention to the issue of financing development plans, especially given that in Africa the sources of finance will become increasingly domestic. They need to develop sound plans which are justified, effective and consistent with national vision and objectives, involving key stakeholders. A plan must meet the soundness test of coherence, consistency, effectiveness, which means that it must be founded on robust and credible evidence base, with clear mechanisms for implementation and monitoring and be reasonably flexible to deal with changing circumstances.

To this end, ECA will continue and indeed intensify its efforts to support the efforts of member States in developing, implementing and monitoring sound national plans to achieve economic transformation. To this end, we have reinforced IDEP to be able to address more adequately the capacity constraints faced by many Planning Commissions, Ministries and Departments in the continent through an array of capacity building programmes.

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For more information, please contact Vicente Paolo Yu of the South Centre: Email yu@southcentre.org, or telephone +41 22 791 80 50.