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**ROLE OF INFRASTRUCTURE IN ECONOMIC GROWTH AND
POVERTY REDUCTION
-- LESSONS LEARNED FROM PRSPs OF 33 COUNTRIES**

Berlin, 27-29 October 2004

This document is submitted FOR INFORMATION to the POVNET Infrastructure for Poverty Reduction (InfraPoor) Task Team workshop to be held on 27-29 October 2004 in Berlin, Germany.

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ROLE OF INFRASTRUCTURE IN ECONOMIC GROWTH AND POVERTY REDUCTION LESSONS LEARNED FROM PRSPs OF 33 COUNTRIES

I. Background

1. The Task Team on Infrastructure for poverty reduction-- created by the DAC Network on Poverty Reduction (POVNET) in November 2003 -- enables experts to share experiences, to review policies and programmes, and to develop recommendations on ways to strengthen the pro-poor growth impact of economic infrastructure projects.

2. To present its findings, the Task Team is holding three iterative workshops on the following topics: 1) the first workshop on the global picture (29-30 March, 2004), 2) the second on infrastructure policies and programmes which contribute to pro-poor growth (27-29 October, 2004), and 3) the third on assistance strategy for infrastructure development: enhancing coherence and co-operation between the donors programmes (March 2005). The first workshop enabled bilateral donors to share their knowledge on the linkages between infrastructure and pro-poor growth and to review infrastructure financing trends and good practices in providing development assistance to the infrastructure sector.

3. As Poverty Reduction Strategy Papers (PRSPs) are the driving force behind the overall development strategy of many developing countries, it is essential to consider the role of infrastructure in this important poverty reduction process. This document is, therefore, presented to contribute to the discussion on infrastructure and pro-poor growth of this second workshop. Participants are invited to provide comments in preparation for the third workshop. Furthermore, this document aims at facilitating discussion among donors to improve their inputs to the ongoing PRSP revision process by providing an overview of the role of infrastructure for economic growth and poverty reduction.

4. The present document summarises the findings of a background research paper that analyses the role of infrastructure in the PRSPs of 33 countries that completed their report as of 1 December, 2003.¹ The background paper offers a stocktaking of the contribution of infrastructure interventions to poverty reduction and pro-poor growth in each of these PRSPs (see Annex 1 for the summary findings of the PRSP review by country).

5. The present document has two main sections: the role of infrastructure in economic growth and poverty reduction in PRSPs (see section II) and enhancing effectiveness of aid to infrastructure development (see section III).

¹ Murooka, Naomichi. *The Role of Infrastructure in the World Bank's Poverty Reduction Strategy Papers (PRSPs) -- Issues and externalities for successful poverty alleviation*. May 2004. University of Michigan. <http://www.tcaup.umich.edu/urp/murookareport.pdf>.

II. The role of infrastructure in economic growth and poverty reduction in PRSPs

6. All reviewed PRSPs underline that economic growth is a necessary but not sufficient condition for poverty reduction. The critical policy challenge is how to generate pro-poor growth. As the international community is again recognising the important role that infrastructure plays in economic growth and poverty reduction, infrastructure development strategies are increasingly addressed as a cross-cutting issue in PRSPs.

a. Sectoral Analysis of PRSPs

7. The *sectoral analysis of PRSPs* shows that infrastructure interventions are mainly focused on the development of the rural/agricultural and private sectors.² Most PRSPs emphasise *rural/agricultural development* to promote poverty reduction since, except for a few countries, the majority of the poor live and work in rural areas. Infrastructure development strategies in the rural/agricultural sector include the development of rural roads, electricity, and telecommunications to improve the access of the poor to economic activities and markets, and irrigation facilities to increase agricultural productivity, reduce vulnerability to drought, and stabilise yields. Rural roads expansion is strongly emphasised, reflecting the great need of: (i) improving access to markets in order to reduce the transportation cost and time; (ii) raising productivity through better access to agricultural inputs and extensions; and (iii) creating better condition for generating off-farm employment opportunities.

8. *Private sector development*, namely support for Small and Medium-scale Enterprises (SMEs), is also one of the prevailing strategies in PRSPs. This strategy is commonly found in addressing poverty, especially in urban areas, where the economic base is diversified and cannot be attributed to a single sector. Infrastructure interventions for SME development are designed to build the enabling business environment. They mainly focus on the improvement and expansion of roads to facilitate logistics and the development of electricity and telecommunication networks to reduce transaction costs. Private sector's engagement in the development of infrastructure services is emphasised as it brings important benefits to both the local business sector and labour market. However, the capacity of the domestic private sector to play a meaningful role in infrastructure development generally remains low. Where access to financial services and lack of know-how are limiting factors, increasing credit opportunities and providing technical support to local businesses in their bids for infrastructure projects can strengthen the role of the domestic private sector in this area.

9. All PRSPs underline the importance of other infrastructure interventions in the social and/or economic sectors.³ In particular, most PRSPs recommend improving the water and sanitation systems and expanding them to better reach the poor. Several PRSPs also underline that Information and Communication Technologies (ICTs) can play an important role in human resources development (e.g., by improving education systems), in increasing access to markets and attracting investment, and in promoting good governance by strengthening information sharing and transparency (for example, through e-government).

² This document categorises pro-poor economic infrastructure strategies into "rural and agricultural development" and "private sector development" to follow the terminology and categorisation commonly found in PRSPs. However, there are some linkages and overlaps between the two categories.

³ This study mainly focuses on infrastructure interventions that promote pro-poor growth. Therefore, it only touches on issues such as access to water and sanitation as these interventions are often described in the social sector of PRSPs.

b. Regional analysis of PRSPs

10. The *regional analysis of PRSPs* shows that infrastructure interventions in Africa, the Middle East and Latin America mainly focus on rural/agricultural development. While infrastructure interventions in the rural/agricultural sectors are also important for countries in Asia and Europe and Central Asia, infrastructure strategies in these regions mainly focus on strengthening private sector-led growth (see Annex 2 on summary findings of PRSPs by region).

11. In *African and Middle Eastern countries*, PRSPs recognise the importance of addressing rural areas, given the low level of urbanisation and the concentration of poverty in those areas. Thus, infrastructure interventions aim at improving agricultural productivity. The Ethiopian PRSP, for example, underlines that the provision of infrastructure encourages the production of exportable agricultural outputs and thus contributes both to growth and poverty reduction. Access to safe water is a common issue in African countries. Most PRSPs recommend expanding the coverage of water supply, for example by constructing small-scale water supply systems and new wells. Some countries are also adopting unique approaches to address this issue (see examples of unique pro-poor growth strategies in PRSPs in Annex 3). For example, Yemen's PRSP recommends to develop new growth poles to attract people to coastal areas, as the cost of maintaining increasing population in rural areas with scarce water resources is unsustainable in the long-term (see Yemen's case in Annex 3). The promotion of regional integration within Africa is also commonly stressed in PRSPs. The expansion and improvement of international transportation networks, mainly through the development of roads, is given priority to address geographical isolation and to lower transportation costs for intra-African travel and trade. The development of transportation networks is particularly important for the numerous landlocked countries of the region.

12. In *Asian countries*, PRSPs recognise the significant role of industrial development in achieving economic growth, and underline its potential for directly and indirectly addressing poverty in both urban and rural areas (e.g., Cambodia, Sri Lanka, and Vietnam are all shifting from agricultural-based economies to secondary and tertiary sector-based economies). Domestic private sector development and the attraction of foreign direct investment are emphasised in PRSPs to stimulate private sector-led growth. In addition to market liberalisation, private sector participation, privatisation and large-scale infrastructure development - in particular in the transport (e.g. roads, railways, airports, and ports) and power sectors -- are often recommended. Some countries also give particular importance to connecting the rural poor to rapidly growing sectors and urban areas through transportation networks and sometimes also ICTs. (see Sri Lanka's case in Annex 3).

13. *Latin American countries* are relatively urbanised. Poverty is pervasive in both urban and rural areas, but generally more severe in rural areas. Due to lack of a strong economic engine in urban areas, combating urban poverty is a difficult task since urban poverty is related to labour market participation (see Bolivia's experience in combating urban poverty in Annex 3). PRSPs in the region thus focus on providing support for the private sector to increase job opportunities and on industrialising the rural/agricultural sectors by strengthening agro-processing industries and promoting tourism. In urban infrastructure interventions, PRSPs in the region prioritise the improvement and expansion of water, drainage and sewerage, roads, and electricity. In rural areas, importance is generally given to infrastructure, such as irrigation, rural roads, electricity, and telecommunications that promote industry development.

14. Socialist prior to 1991, the *countries in Eastern Europe and Central Asia* are currently shifting to market-oriented economies. Their PRSPs thus underline that the creation of a better climate for foreign direct investment and for private sector development, through privatisation and market liberalisation, is necessary to create a foundation for private sector-led growth. Job creation is an urgent task to respond to increasing urban unemployment partly due to privatisation. PRSPs in the region give high priority to large-scale infrastructure rehabilitation and development at national level, such as railways, highways, airports,

and power facilities. PRSPs also recognise potentials in the agricultural sector to absorb the labour force, in particular as productivity increased following liberalisation and privatisation. Irrigation is the key infrastructure intervention in the region to increase agricultural productivity.

c. Trends in delivery, operation and maintenance of infrastructure in PRSPs

15. PRSPs aim to expand infrastructure services to better target the poor, to enhance the sustainability of infrastructure services, and to stimulate the private sector. Therefore, most PRSPs recommend greater decentralisation where local population, local government, local private sector, and NGOs, increasingly participate in the delivery, operation, and maintenance of infrastructure services. Furthermore, PRSPs generally recommend increased private sector participation -- for example through Build-Own-Transfer (BOT), Build-Own-Operate (BOO) and concession mechanisms-- and sometimes also recommend privatisation of such services. The participation of the private firms in the provision of infrastructure services is more pervasive in urban areas than rural areas (as the latter tend to be perceived as more risky and having lower returns).

16. Demand-driven approaches -- in which infrastructure is developed in response to the needs of the local communities -- generally result from broad participation by the local community and partners such as NGOs and civil society. These approaches are emerging as the effective means of expanding services and reaching the poor by developing infrastructure projects at local level. In some PRSPs, such approaches include the creation of government-sponsored funds that can be utilised to develop the needed local infrastructure services. In these cases, government also provides technical support (see Uganda's case in Annex 3). These approaches are generally more pervasive in geographically disadvantaged areas where local communities play a greater role than private firms in the expansion of basic services, i.e., mountainous and/or remote areas, and poor and marginalised urban and rural areas (e.g. Nepal, Nicaragua, and Uganda have all been extensively pushing this approach forward).

III. Enhancing effectiveness of aid to infrastructure development: implications for the poverty reduction strategies of donors and partners

17. PRSPs can help promote co-operation and coherence between donors and other development partners by adopting participatory approaches, as citizens, NGOs, the private sector, and donors are engaged in the formulation and implementation of infrastructure development strategies in PRSPs. In order to ensure sustainable infrastructure services and to better target the poor, the provision and operation of infrastructure services also require the same approach as they involve various groups including users.

18. Infrastructure strategies to promote pro-poor growth within PRSPs can be further enhanced by continuing to promote participation of the poor segments of society in every stage of strategy development, thereby injecting more knowledge from grassroots organisations and local communities, and considering innovative approaches. Also, the implementation and monitoring of infrastructure interventions will allow for tailoring strategies and for more effectively reaching the poor. Finding new ways to enhance coherence and co-operation between donors at the country-level, and incorporating shared knowledge such as from POVNET Infrastructure workshops is important. Some areas that could be improved in PRSPs with regards to infrastructure interventions include:

- *Affordability*: The PRSP Sourcebook, which was prepared by the World Bank as a guideline for PRSP preparation, encourages maintaining the affordability of infrastructure services for the poor by introducing competitive markets, under proper legal frameworks, and improving subsidies effectiveness, if subsidies are used. However, PRSPs often do not discuss the affordability issue. Thus, commercialisation of infrastructure services, which often entails tariff reforms, need to go hand-in-hand with

the introduction of other policies that keep people connected, that improve access to and expand depth of services, and that make services affordable to the poor.

- *Maintenance*: The need of establishing maintenance mechanisms is widely mentioned in the infrastructure components of PRSPs. Lack of routine and periodic infrastructure maintenance has been a chronic problem, largely due to the limitation of financial and technical capacity of governments. The major challenge for infrastructure development strategies in PRSPs is whether they can introduce sustainable maintenance mechanisms by systematically securing financial and human resources.
- *Financing*: The financing of PRSP programmes largely depends on debt relief funds, donor assistance, private sector participation, and governments' own revenues, which are calculated based on the prospects for economic growth and the successful implementation of PRSPs. However, there often exists an important gap between financial resources needed and available. Therefore, infrastructure issues, identified in PRSPs diagnosis, are sometimes not addressed nor implemented, in particular following prioritising exercise where other sectors are prioritised. Furthermore, PRSPs generally do not offer concrete proposals on ways to attract the private sector to participate in infrastructure projects in poor or disadvantaged areas that bear risks or low returns. As mentioned by Professor Jeffrey Sachs at an OECD-DAC High Level Consultation on the UN Millennium Project on 8 - 9 July 2004, the cost of inaction due to lack of financing can dramatically curtail efforts to achieving the Millennium Development Goals (MDGs).
- *Project-tailoring*: Infrastructure strategies for pro-poor growth in PRSPs tend to assess *what* might be *needed* for the poor to increase incomes as opposed to explaining *how* infrastructure would be *used* by the poor. In the case of agricultural markets, for example, middlemen could be better off than poor farmers as a result of rural roads' construction and the reduction of transportation costs. Tailoring infrastructure projects by closely linking them to sector and regional development plans and further incorporating the voice of the poor into the planning process can bring more benefits to the poor.

IV. Next steps

19. Participants are invited to provide comments on this document to prepare for the third infrastructure workshop on *Assistance Strategy for Infrastructure Development--Enhancing coherence and cooperation between the donors programs*.

ANNEX 1
SUMMARY FINDINGS OF THE PRSP REVIEW BY COUNTRY

Items	Sources
PRSPs	World Bank's website at http://www.worldbank.org/poverty/strategies/index.htm
Population in 2002 Surface area in 2002 Primary education completion rate in 2001 Aid dependency in 2001	World Bank. (2003c). <i>World Development Report 2004: Making Services Work for Poor People</i>
Gross Domestic Product Per capita Purchasing Power (GDP PPP US\$) in 2001 Life expectancy at birth in 2001 Adult literacy rate in 2001	United Nations Development Programme. (2003). <i>Human Development Report 2003</i>
Level of urbanisation in 2000	United Nations Centre for Human Settlements. (2002). <i>Cities in a Globalizing World: Global Report on Human Settlements 2001</i>

REPUBLIC OF BENIN: Benin Poverty Reduction Strategy Paper 2003 - 2005, Dec 2002

1. Overview Benin initiated its first Structural Adjustment Program in 1989 when faced with an unsustainable budget and foreign deficits. The real GDP growth of 5.2% per year between 1997 and 2001 favoured urban areas while the situation of rural poverty worsened. Benin's PRSP is harmonized with other Benin manifestations for development, such as the Strategic Vision for Benin in 2025 and the Government's Action Plan. It stresses (1) stabilizing the macro-economy, (2) accelerating structural reforms, (3) improving governance, (4) strengthening resource management, (5) promoting private investment, (6) social sector development, (7) job creation, and (8) greater participation of the poor to development process.			
2. Key index			
Population	7 million	Life expectancy at birth	50.9
Surface area	113,000 km ²	Adult literacy rate (% of age 15 and above)	38.6
Gross Domestic Product per Capita (PPP US\$)	980	Primary education completion rate (%)	39
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	61.4
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Although no clear explanation about how Benin perceives poverty was found, poverty reduction is seen as one of their developmental objectives. Poverty is measured by expenditure level, which uses different criterion between urban and rural poverty, and a non-monetary poverty index such as mortality rate, illiteracy rate, and lack of access to social services/basic infrastructure. The vulnerability of Benin's economy to external shocks due to high dependence on cotton exports (81% of the total export) prevents Benin from achieving macroeconomic stability.	The PRSP sees that economic growth is not sufficient, but recognizes it as an essential means of addressing poverty through redistribution of growth. It estimates that at least a 7% annual growth in real GDP is necessary for lasting poverty reduction.	
4. Cause of poverty/ poverty reduction interventions	The PRSP distinctly recognizes both urban and rural poverty and perceives that rural poverty is more profound. This is attributed to the difficulty in accessing social services namely, education and health care, basic/economic infrastructure, and also to low productivity in agriculture, which is dominant in rural employment. In addition, lack of financial support, communications, non-farm wage employment, and land tenure, inadequate technology used in agriculture/fisheries, socio-cultural impediments, natural disasters, and AIDS are raised as the causes for poverty.	Sustained by human capital development, the Government of Benin wishes to accelerate economic growth by attracting both domestic/international investment through increasing the provision of economic infrastructure, diversifying agriculture, supporting agribusiness, small scale manufacturers and industries, and expanding tourism, information and communication technologies (ICTs), and transport. As regards agriculture development, support for improving productivity by R & D and training, provision of rural infrastructure and development of agricultural markets are emphasized.	
5. Key infrastructure/ priority	Lack of water supply, sanitation, transport and deteriorated waterways are mentioned as determinants for poverty.	Priority is given to water supply, sanitation, rural electrification, rural road construction and maintenance, irrigation, expansion/maintenance of road networks and ports, the maintenance/improvement of railway networks, the promotion of private sector investment in information and communication networks.	
6. Key Player	The Central Government has played a major role in provision of infrastructure. Lack of adequate consultation with citizens in development process/planning is seen as the cause of unsatisfactory outcomes in the previous social policies. Private sector participation has been encouraged.	The role of the Government will be limited to regulating and promoting growth while addressing basic needs of the population. Decentralization and the participation of the private sector and communities in the provision, maintenance, and management of basic infrastructure services will be promoted further.	
7. Analysis Infrastructure plays an important role in both poverty reduction and economic growth by providing better access to basic needs, social services, markets, and creating a favourable business climate. Utilizing resources generated by economic growth to address poverty is the link between economic growth and poverty reduction.			

BURKINA FASO: Poverty Reduction Strategy Paper, May 2000

<p>1. Overview The PRSP was prepared to introduce the enhanced Initiative for the Heavily Indebted Poor Countries (HIPC). The principles of the PRSP are based on the Government vision for development (Letter of Intent for Sustainable Development), such as (1) emphasizing the role of the State in regulatory and redistribution functions, (2) promoting the sustainable development of natural resources, (3) strengthening ownership in relation to donors, (4) promoting good governance, (5) encouraging women's participation in development, (6) easing regional disparities, and (7) and fostering integration within the West African Economic and Monetary Union (WAEMU: Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo). The PRSP stresses stabilizing the macro economy, increasing productivity/competitiveness, focusing on rural development, especially roads and the agricultural sector, providing the poor with better access to social services, creating non-farm employment, and good governance.</p>			
2. Key index			
Population	12 million	Life expectancy at birth	45.8
Surface area	274,000 km ²	Adult literacy rate (% of age 15 and above)	24.8
Gross Domestic Product per Capita (PPP US\$)	1,120	Primary education completion rate (%)	25
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	18.5
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	While there is no clear mention of the perception of poverty, it is implied that poverty is an obstacle to achieving universal human security. Poverty is measured by income in a quantitative manner, while the document admits the importance of the qualitative measurement.	Having achieved steady economic growth (about 5% growth in real GDP between 94 and 99) with little progress in poverty reduction, the Government recognizes that rapid growth is a fundamental but not sufficient factor for poverty reduction. The Government aims to achieve 7 to 8% of growth in per capita GDP per year.	
4. Cause of poverty/ poverty reduction interventions	Poverty is largely a rural phenomenon, accounting for 94% of the nation's poverty. The majority of the poor are engaged in agriculture; food crop farmers accounted for 77.1% of the total poor in 1998. Urban poverty is low but rapidly increasing. Disadvantageous environment (i.e., availability of natural resources), lack of a "safety net" and of access to social services, markets, land, financial support, remoteness due to the fact that the country is landlocked, poor transport, and low productivity are collective causes for poverty. At an individual level, transitional poverty, such as natural disasters, and divorce, are prominent in urban areas, while social and cultural barriers, physical handicaps, and absence of intervention/assistance are unique causes for rural poverty. Low purchasing power, large families, and lack of initiative are raised as common causes for poverty in urban/rural areas.	To ensure broad based economic growth, the PRSP aims to increase competitiveness by lowering production/labour costs in order to attract investment and increase productivity. The Government will facilitate this move by giving top priority to education, fostering diversification of industries through support for small-scale industries, and promoting transport and energy. The provision of better access to social services, education, health care, safe water and sanitation is the first priority. Reduction in vulnerability, diversification of products, modernization of activities through, i.e., R & D, and further liberalization of markets are the major concerns in agricultural development.	
5. Key infrastructure/ priority	Social infrastructure, i.e., water supply and sanitation, as well as electricity and transport are mentioned.	The PRSP stresses such infrastructures as water supply and sanitation, telecommunications, energy, rural roads, and irrigation.	
6. Key Player	The Government is the key player, together with citizen's participation.	The involvement of NGOs, the private sector, local government/communities in the implementation and monitoring of various programs will be encouraged. Decentralization is intensively employed in rural development. Financial assistance from donors remains crucial.	
<p>7. Analysis Given the landlocked geographic condition, Burkina Faso wishes to promote regional integration. It also hopes to become the transportation hub in WAEMU. The major focus is given to education, and the agricultural sector, reflecting its large share in employment and export. Large-scale economic infrastructure is rarely mentioned. Lowering labour costs is included to enhance competitiveness, which would create an opposing effect in poverty reduction.</p>			

REPUBLIC OF CAMEROON: Poverty Reduction Strategy Paper, April 2003

1. Overview The PRSP was prepared in line with the Enhanced Initiative for HIPC. The PRSP is seen as the integral framework for development, a set of guidelines for coordination between government programs and donor assistance, budget priorities, and the areas in which development management capacities needs to be strengthened. The key strategies are (1) promoting macroeconomic stability, (2) supporting growth by diversifying the economic base, (3) encouraging the private sector to play a key role in leading economic growth and social services delivery, (4) expanding infrastructure and utilization of natural resources in a sustainable manner, (5) enhancing regional integration into the Monetary and Economic Community of Central Africa (CEMAC: Cameroon, Central Africa, Chad, Congo, Equatorial Guinea, Gabon, Sao Tome and Principe), (6) developing human resources and the social sector and integrating vulnerable groups into the economy, and (7) promoting good governance.			
2. Key index			
Population	16 million	Life expectancy at birth	48.0
Surface area	475,000 km ²	Adult literacy rate (% of age 15 and above)	72.4
Gross Domestic Product per Capita (PPP US\$)	1,680	Primary education completion rate (%)	43
Aid dependency (% of central government expenditure)	31.1	Level of urbanization (% in 2000)	48.9
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	The PRSP wishes to achieve sustainable improvement in the people's quality of life, poverty being the first issue to be tackled in this regard. Poverty is partly seen as the outcome of the deteriorated social services due to the past tight budget policy due to heavy debt. The Government made a strong commitment to attaining the Millennium Development Goals. Poverty is measured by income/consumption level, taking various aspects into account.	Growth is recognized as both the more effective factor and as the source in addressing poverty. Given the rapid population growth, especially in urban areas (5%) and decline in oil revenues, Cameroon aims to realize around 6% of the annual GDP growth.	
4. Cause of poverty/ poverty reduction interventions	The population below the income poverty line accounted for 40.2 % of the total in 2001, which represents a 13.1% improvement in the last 5 years while inequality remains high. The poverty rate is higher in rural areas (50%) than urban areas (22%). The largest segment of the poor is farmers (57%) followed by informal rural sector workers (54%), and informal urban sector workers or the unemployed (40%). Poverty is attributed to lack of land and available resources to meet basic human needs, low educational attainment of the household head, and limited access to basic infrastructure and social services	Strong emphasis is placed on rural development by leveraging the private sector, improving productivity in agriculture to reduce imports and increase exports by fostering human resource development and modernizing equipment, developing the rural infrastructure, and utilizing natural resources in a sustainable manner. The industrial sector has given top priority to generating sources for poverty reduction. Agro-industries, textile manufacturing, wood processing industries, and cash crop agriculture/processing, tourism, and handicraft businesses are stressed in pursuing labour-intensive sector development, thereby realizing pro-poor growth.	
5. Key infrastructure/ priority	The importance of infrastructure, together with social services, is stressed in defining the quality of life and improving people's ability to help by themselves. Such infrastructures include water supply, micro dams, highways, rural roads, energy, electricity, and communication infrastructure (radio, television, and/or other ICTs).	Infrastructure development is mentioned in relation to rural development and private sector investment. Such infrastructures include water supply, rural roads maintenance/improvement, electricity, and ICTs. The large-scale infrastructure, i.e., road network, at international/national level is given special attention, aiming to accelerate regional integration with Nigeria, within CAEMC, and also to attract investment. Air transport and sea transport are seen as important developments in this regard.	
6. Key Player	Decentralization has made progress in public management.	Privatization, decentralization/deconcentration of public management, and civil participation will be further encouraged.	
7. Analysis Rural and agricultural development are expected to function as the engine for economic growth and for poverty reduction. Regional integration with neighbouring countries through infrastructure is one of Cameroon's major strategies in realizing economic growth by tapping larger markets and sharing available resources.			

REPUBLIC OF CHAD: National Poverty Reduction Strategy Paper, June 2003

1. Overview The PRSP's preparation was initiated by the Enhanced Highly Indebted Poor Countries (EHIPC) Initiative. Many development programs have focused on agricultural-led growth to improve the standard of living of the people in the past. The situation of the poor has worsened, however, partly due to armed conflict, political instability, and lack of sustainability of actions. Currently, the development of oil is under way, which is expected to give Chad both an opportunity to achieve sustainable growth and challenges in realizing equitable redistribution of the benefits. The PRSP, as the principle document that defines Chad's development strategy, focuses on realizing (1) the promotion of good governance, (2) robust and sustained economic growth, (3) the improvement of human capital, (4) the improvement of the living conditions of vulnerable groups, and (5) the maintenance of the ecosystems.			
2. Key index			
Population	8 million	Life expectancy at birth	44.6
Surface area	1,284,000 km ²	Adult literacy rate (% of age 15 and above)	44.2
Gross Domestic Product per Capita (PPP US\$)	1,070	Primary education completion rate (%)	19
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	23.8
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Poverty has been a consistent challenge for Chad. Chad's PRSP attributes poverty mainly to lack of economic growth, referring the successful experiences in poverty reduction to the world outside sub-Saharan Africa. Poverty is measured by consumption and food. The Human Development Index is used as a supplement	Having committed to the Millennium Development Goals (MDGs), Chad' PRSP depends on financial resources freed by the HIPC initiative and the revenue from the oil sector. The annual economic growth rate of 5-8% is considered necessary to have a tangible impact on both economic and social change. The main objective of Chad's PRSP is to achieve sustainable growth and the equitable distribution of the benefits.	
4. Cause of poverty/ poverty reduction interventions	Poverty is pervasive especially in rural areas where 80% of the total population is concentrated. Most of the rural residents are engaged in agriculture. Nearly 70% of the GDP is attributed to the informal sector including agriculture-related activities. Participatory poverty assessment identifies that lack of access to health care, education, credit, healthy environment, housing, water, low productivity and lack of transportation, especially in rural areas are major determinants of poverty. The PRSP summarizes that lack of good governance, economic growth, processing industries, which lead agricultural development, inefficiency in the tertiary sector, deficient human resources, and an inadequate infrastructure is the causes of poverty.	Priorities are given to health, rural development including water and environmental management, infrastructure and education. The revenue from oil extraction is expected to help Chad's economy in various sectors. The diversification of the economy is expected to occur in the secondary sector, including processing, cotton, construction, and mining-related industries. The development of the private sector aims to strengthen Chad's productive sector. Rural development, through infrastructure provision, utilization of radio as a means to disseminate information, and institutional arrangements, is given priority to improve agricultural productivity and promote crop diversification. The commercialization of the cotton sector is to be encouraged. Strengthening human capital is emphasized in all dimensions.	
5. Key infrastructure/ priority	The deficiency of rural road networks, access to safe water, energy (only 1% of the population has access to electricity), and telecommunication are explicitly mentioned in the PRSP. Such deficiency is more severe in rural areas than in urban areas, reflecting the past development efforts which were concentrated in urban areas.	The National Transportation Plan gives priority to both domestic and international transportation networks. The provision of minimum/reliable access to every community is designed to promote rural development. The Master Plan for Water and Sanitation aims to expand access to water in both urban and rural areas. The provision of electricity, postal and telecommunication services with emphasis on mobile phones is mentioned.	
6. Key Player	Decentralization and deconcentration have been under way. The PRSP attributes some failures in the past development practice to lack of grassroots participation.	Within the framework of the promotion of good governance, decentralization, strengthening the capacity of the private sector and the citizens will be pushed forward.	
7. Analysis The Government of Chad considers the oil business to be capital-intensive and, therefore, unable to contribute to reducing poverty by creating labour-intensive jobs, but by generating the main resources for addressing poverty. The PRSP recognizes that the main challenge for Chad is to strengthen and diversify its economic base.			

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA: Sustainable Development and Poverty Reduction program, July 2002

1. Overview Ethiopia has been going through a series of economic reform programs, transforming the economy from command oriented to market oriented. Since the reform started in 1992, the average growth rate of the annual GDP/capita was 2.4% with modest progress in poverty reduction. The major focuses of the PRSP are to (1) promote agriculture and rural development, employing Agricultural Development Led Industrialization (ADLI), (2) encourage private sector growth in generating non-farm employment and infrastructure investment, (3) develop export oriented sectors, i.e., agricultural and processing industries, (4) strengthen human resource development, (5) deepen decentralization, (6) promote good governance, (7) accelerate agricultural R & D, and (8) manage natural/water resource utilization and ensure food security.			
2. Key index			
Population	67 million	Life expectancy at birth	45.7
Surface area	1,104,000 km ²	Adult literacy rate (% of age 15 and above)	40.3
Gross Domestic Product per Capita (PPP US\$)	810	Primary education completion rate (%)	24
Aid dependency (% of central government expenditure)	39.3	Level of urbanization (% in 2000)	17.6
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	The Ethiopian PRSP clearly states that poverty reduction is the central theme in development, not subordinate to economic growth. Poverty is measured in expenditure, food, income level, and non-monetary terms.	The PRSP recognizes that economic growth is necessary but not a sufficient means to address poverty. The Government estimates that to meet the MDGs, which are to halve the current poverty level by 2015, 5.7% annual economic growth rate is needed in real terms. The Government aims to realize the annual GDP growth rate of 7% while stabilizing the price of agricultural products.	
4. Cause of poverty/ poverty reduction interventions	Poverty is profound in rural areas, where 45% of the population is below the poverty line. Agriculture is the sector in which 85% of the total population and the majority of the rural poor are engaged. The urban poor are growing fast accounting for 37% of the urban population. Food security, and access to social services and the economic infrastructure are the major determinants of poverty. At the household level, female-headed households in urban areas are more likely to be poor than male-headed households. Illiterate households with a larger family size and older heads of households are more likely to be poor.	Under ADLI, agriculture is centred in development policies, i.e., social sectors including education and infrastructure investment, which are mainstreamed to promote commercialization of and export-oriented agriculture, expecting that other non-farm industries will be developed to serve the agricultural sector as it grows. Diversification of agricultural products is stressed in relation to food security. Reform in civil service and public management, promotion of good governance and decentralization are other pillars of the PRSP. Human resource development is designed to support ADLI, the financial sector, and economic institutions/associations.	
5. Key infrastructure/ priority	The delivery of infrastructure services is inadequate. The country's road network is among the lowest in Africa, leaving vast expanses of the country's potentially productive areas distant from all-weather roads. Around 85% of the population lives in rural areas where only 10.5% of telephones are installed. Only 13% of the total population has access to electricity.	Irrigation is stressed to ease vulnerability of the farmers. The expansion of the networks of roads, electricity, and telecommunications are to be implemented to serve both agriculture and other commercial activities. It will be done with the emphasis on private sector involvement, maintenance, and capacity building. Water supply coverage is also to be expanded.	
6. Key Player	Resolution of the complex poverty situation in Ethiopia will require a concerted and coordinated effort for all parties concerned: communities, private sector, NGOs, Civil Society Organization and donors.	The Government mobilizes and co-ordinates the various stakeholders' resources. Ethiopia will further decentralize. Local governments and communities will bear broader responsibilities for managing local issues and encouraging active participation of citizens.	
7. Analysis Ethiopia aims to attain growth with equity through ADLI as a means to benefit the poor. It does so by increasing productivity of labour/land, addressing vulnerability to shocks, and promoting commercialization of agriculture. However, there could be an adverse effect from commercialization of agriculture on poverty reduction, namely the vulnerability to price change. Urban poverty is mentioned in the diagnosis but rarely addressed in the recommended action of the PRSP.			

GHANA: Ghana Poverty Reduction Strategy 2003 – 2005 (GPRS), February 2003

1. Overview Since the early 1990s, Ghana's economic growth and income has remained stagnant, resulting little progress in the alleviation of poverty. Starting in 1991, Ghana produced a number of plans for poverty reduction and human development in consultation with a wide range of stakeholders. The main goal of the GPRS is to create wealth by transforming the nature of the economy to achieve growth, accelerate poverty reduction, and protection of the vulnerable and excluded within a decentralized, democratic environment. The strategy over the medium term (2003-2005) aims at stabilizing the economy and laying the foundation for sustainable growth with job creation in an agro-based industry. The focus is on: (1) stabilizing the macroeconomy; (2) creating employment; (3) promoting human development and provision of basic services; (4) implementing special programs for the vulnerable and excluded; and (5) enhancing good governance.			
2. Key index			
Population	20 million	Life expectancy at birth	57.7
Surface area	239,000 km ²	Adult literacy rate (% of age 15 and above)	72.7
Gross Domestic Product per Capita (PPP US\$)	2,250	Primary education completion rate (%)	64
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	38.4
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	GPRS' overall target is to achieve growth. Good governance and political stability are seen as essential to the success of this target. Studies measure poverty by consumption, the social dimension and the perception of poverty by the communities.	The long-term strategy is to increase growth to an average of 8% by the year 2010. The target is to reduce the national incidence of poverty from 39% in 2000 to 32% in 2005. To achieve these objectives, the Government aims at developing the country into an agro-industrial economy by the year 2010.	
4. Cause of poverty/ poverty reduction interventions	Poverty is profound in certain areas, especially in the North and the Central regions: 5 out of 10 regions had more than 40% of their population living in poverty in 1999. Food crop farmers represent 59% of the poor. The main determinants of poverty are low productivity, lack of access to markets, high cost of inputs, and low levels of economic infrastructure. Furthermore, the economy has for too long relied on the export of a few primary products with little or no value added (cocoa, gold, timber and others).	Rural development is seen as a catalyst for economic transformation. The strategy focuses on improving agricultural productivity; promoting the production and exportation of non-traditional products (processed gold, salt, handicrafts etc.); generating gainful employment; increasing output of small-scale enterprises; promoting the services sector, particularly tourism. The role of the private sector in developing both industry and agriculture is crucial. The government's strategy aims at putting in place a conducive, enabling environment to stimulate entrepreneurship.	
5. Key infrastructure/ priority	The absence of an effective transportation system hinders the potential Intra-West African trade. Although the inadequate level of infrastructure provision is clearly identified as a major obstacle to both national and regional development, the link with poverty is not extensively developed.	Infrastructure is amongst Ghana's five medium term prioritized programs and projects. The objective is to open up the country, introduce competition and create an enabling environment for the private sector. Existing agreements will be reviewed to introduce competition in the ICT sector. Irrigation is stressed to increase agricultural yields while expanding or maintaining the network of feeder, trunk and urban roads is seen as essential to access markets. The building of storage facilities will contribute to ensure food security.	
6. Key Player	All stakeholders have been involved in the strategy formulation, program implementation, and monitoring. The GPRS clearly sets out the respective roles of the various actors: Government, private sector, civil society, multi-lateral and bilateral donors.	The strategy contains a detailed plan for a progressive deepening of decentralization and devolution of power to the district level, including the strengthening of leadership and capacity of District Assemblies and the deepening of District Assemblies Association with Civil Society.	
7. Analysis Ghana has embarked on a strategy to transform its low productive economy into an effective agro-industrial economy. The strategy intends to create an enabling environment to attract the private sector. This is expected to play a key role in achieving projected economic growth. Infrastructure, particularly national and regional road network development, is among the governments' medium term priorities to combat isolation and foster trade.			

REPUBLIC OF MADAGASCAR: Poverty Reduction Strategy Paper, July 2003

1. Overview The PRSP-I was drafted in November 2000 whilst drafting the complete PRSP, which takes into account the new policy orientation of the government, started anew in September 2002 after the political events from January to August 2002. The "ambitious but realistic objective" is to reduce the poverty rate by half over the next 10 years (2013). In order to achieve this objective, Madagascar has set up a strategy whose three focuses are to: (1) restore the rule of law and a well governed society; (2) foster and promote economic growth on a very broad social base; and (3) promote developing systems for establishing human and material security and enlarge social protection.			
2. Key index			
Population	16 million	Life expectancy at birth	53.0
Surface area	587,000 km ²	Adult literacy rate (% of age 15 and above)	67.3
Gross Domestic Product per Capita (PPP US\$)	830	Primary education completion rate (%)	26
Aid dependency (% of central government expenditure)	48.7	Level of urbanization (% in 2000)	29.6
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	The objective of the second focus of the PRSP is two fold: accelerate growth by increasing efficient investment and open up the economy to the greater world economy. The strategy recognizes that growth is a condition sine qua non for creating wealth and development. Special emphasis is put on better-distributed growth. Poverty is measured by consumption.	In order to halve poverty by 2013, the annual growth rate of 8% is a prerequisite. The private sector is expected to bring 13% of this investment rate particularly through public-private partnerships. Fuelling growth will be achieved through macroeconomic stability, development of growth sectors coupled with rural and infrastructure development. There are five potential growth sectors identified in the PRSP: tourism, mining, fisheries and aquaculture, export-oriented and other manufacturing industries, small and micro-enterprises.	
4. Cause of poverty/ poverty reduction interventions	Approximately 70% of Malagasies live in poverty. Poverty is essentially a rural phenomenon with 85% of the poor living in rural areas. The poor are mainly farmers (90%). Unequal access to land poses a major problem. Agricultural productivity is further hindered by a combination of institutional constraints, distance to services and markets, and insecurity. The employment rate is relatively high; however, inadequate skills and under-employment are nevertheless evident. Income is low and unequally distributed across the country.	With its bottom-up and participative approach, the Rural Development Action Plan (PADR) constitutes the implementation framework of a set of interrelated activities: improve local governance and institutions; increase agriculture productivity through a number of targeted actions; ensure food security; provide financing for the rural world; promote research; secure land ownership; improve space management; promote small investments in rural areas and partnership with farmer's associations and with the private sector; promote agro-food export; ensure environmental conservation and sustainable management of renewable natural resources .	
5. Key infrastructure/ priority	The inadequacy of economic infrastructure (roads, transportation, Post-Office and telecommunications, energy, etc.) is seen as a direct contributor to poverty. Around 33% of communes have no access to a national road and 30% have no access to a provincial road. Recent surveys have demonstrated a relatively close correlation between the poverty index and inadequate road infrastructure.	The establishment and development of economic infrastructure (land, air and sea transport); energy; telecommunications and communications, postal services) is the "country's top priority". The state will encourage both the national and foreign private sector to invest in this area.	
6. Key Player	A participatory process is promoted involving the administration, elected representatives, political parties, entrepreneurs, civil society, NGOs, professional and church organizations.	The decentralization of services is promoted to bring the government closer to the citizens. This includes the strengthening of institutional capacities of the communes.	
7. Analysis Madagascar's poverty reduction strategy aims at fostering rapid and sustainable development. Particular emphasis is put on rural areas where poverty is the most acute. In this context, establishing and developing economic infrastructure, particularly roads, to open up isolated areas is seen as a top priority.			

MALAWI: Malawi Poverty Reduction Strategy Paper (MPRS), April 2002

1. Overview Past unsuccessful poverty reduction plans and strategies implemented since 1981 portrayed the poor as helpless victims in need of hand-outs. The MPRS aims at achieving "sustainable poverty reduction through socio-economic and political empowerment of the poor." The focus is on concrete implementation of realistic objectives. The MPRS is built around four pillars: (1) encouraging rapid sustainable pro-poor economic growth and structural transformation; (2) enhancing human capital; (3) improving the quality of life of the most vulnerable; (4) promoting good (development-oriented) governance. In addition a number of cross cutting themes (HIV-AIDS, gender environment, science and technology) are mainstreamed into the four pillars.			
2. Key index			
Population	11 million	Life expectancy at birth	38.5
Surface area	118,000 km ²	Adult literacy rate (% of age 15 and above)	61.0
Gross Domestic Product per Capita (PPP US\$)	570	Primary education completion rate (%)	64
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	24.9
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Poverty is widespread, deep and severe. In 1998, a survey concluded that 65.3% of the population was poor, out of which 28.7% were living in extreme poverty. Poverty is measured by consumption.	The mid-term goal is that by mid-2005, the incidence of poverty in Malawi should be reduced by 6% to 59.3%. Growth is seen as a precondition for sustainable poverty reduction. But growth must be pro-poor, i.e. growth that involves and benefits the poor, as indicated in Pillar no.1. It is seen as a prerequisite for broadening income distribution and generating employment.	
4. Cause of poverty/ poverty reduction interventions	Poverty is more prevalent in rural areas. Land-constrained smallholder farmers, labour-constrained female-headed households, estate workers or tenants, casual labourers, orphans, and destitute children are the most affected. The key causes are a combination of constraints on land and labour: limited access to land, low education, poor health status, limited off-farm employment and a lack of access to credit.	As most of the poor live in rural areas, rural development will form the core of the MPRS. The private sector is seen as the driving force whereas the role of the government, NGOs and donors is merely to facilitate this growth by creating an enabling environment and providing support to the specific sectoral sources of pro-poor growth. The key source in the medium term is agriculture but other sources include the sustainable utilization of natural resources, the creation of Micro, Small and Medium Scale Enterprises (MSMEs), the promotion of tourism and small-scale mining projects.	
5. Key infrastructure/ priority	Creating and enabling the environment implies the provision of effective investment infrastructure both in urban and rural areas. The MPRS sees improving the rural infrastructure as an "essential requirement for the commercialization, modernization and growth of agriculture and MSMEs." Due to previous unsuccessful irrigation plans, only a quarter of the irrigable land is exploitable, a very small portion of which belongs to small-holder farmers.	Improving rural transport infrastructure, increasing accessibility to good drinking water and sanitation, increasing access to affordable and sustainable rural energy, and improving rural telecommunications form part of the MPRS strategy to provide better infrastructure in rural areas. Infrastructure projects to create an enabling environment for the private sector, particularly large-scale projects, will be financed by the private sector itself or international investors. Farmer associations and cooperatives will be encouraged to develop and maintain irrigation schemes.	
6. Key Player	Past attempts to address poverty included mainly the central government, bilateral and multilateral donors.	The Government and other development actors are expected to create the conditions whereby the poor can reduce their own poverty. The poor are the key players of, and are at the centre of the MPRS. Decentralization or more specifically devolution is promoted to "bring the government" close to the poor and improve coordination.	
7. Analysis Malawi has identified a number of potential resources to fuel pro-poor growth including its traditional source, agriculture. Besides promoting these new sources, the government's strategy aims at creating an enabling environment to attract the private sector. Improving infrastructure in both urban and rural areas is a key ingredient of this strategy.			

REPUBLIC OF MALI: Final Poverty Reduction Strategy Paper (PRSP), May 2002

1. Overview Poverty reduction documents designed in the past could not be translated into medium term strategies. Mali's PRSP provides a framework for a medium-term development of the economy. The focus is on strong and sustainable growth and more effective development, and the ways and means to involve the poor in this process of growth and development. The strategy is built around three main, mutually reinforcing pillars: (1) Institutional development and improved governance and participation; (2) human development and strengthening the access to basic social services; and (3) infrastructure provision and support for key productive sectors.			
2. Key index			
Population	11 million	Life expectancy at birth	48.4
Surface area	1,240,000 km ²	Adult literacy rate (% of age 15 and above)	26.4
Gross Domestic Product per Capita (PPP US\$)	810	Primary education completion rate (%)	23
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	30.0
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Mali's wish is make the fight against poverty the priority among all development priorities. Mali distinguishes between poverty of living conditions (provision of basic social services), monetary or income poverty, and potential poverty (lack of capital). The Government is committed to the International Development Objectives adopted by the International Community in the 1990s and those of NEPAD.	Growth in itself would not be sufficient for effective poverty reduction; well-targeted initiatives must be developed to distribute growth benefits to the poor. The PRSP targets are to reduce poverty from 63.8% in 2001 to 47.4% in 2006; in order to achieve an average growth of 6.7% a year and to create a minimum of 10,000 jobs per year in the non-agricultural formal sector.	
4. Cause of poverty/ poverty reduction interventions	Approximately 63.8% of the population lives in poverty and 21% in extreme poverty. Poverty is a rural phenomenon. However, it is also increasing in large towns due to migration fuelled by unemployment in rural areas. Agriculture, the sector in which 80% of the population is engaged, represents 42% of GDP and 75% of export earnings. Main products that feed the economy are cotton, cattle, and gold. Persistent national disasters, socio-cultural factors, isolation, poor access to basics services, poor governance and public management, lack of economic opportunities, weakness of social protection mechanisms, inadequate and unstable growth relying on international economic events (price of core commodities) are the key obstacles to poverty reduction.	The development of the primary sector in rural areas will focus on a number of fields: food security; restoration and maintenance of soil fertility; development of hydro-agricultural facilities; development of agricultural, livestock, forestry and fisheries production; and development of support functions. Environmental measures will be taken into account to ensure sustainable management of natural resources. Interventions in the secondary sector will aim at developing the manufacturing industry, handicrafts and the mining sector. Reducing barriers to trade and raising the efficiency of the banking system are part of an effort to support the tertiary sector. The Government will take a number of measures to stimulate the private sector development, to enable this sector to be the "engine of growth and poverty reduction."	
5. Key infrastructure/ priority	Mali's infrastructure is one of the least developed in the world. The strategy's third pillar includes a plan for balanced regional development and a policy of suitable infrastructure. Transport systems are a priority but other infrastructures need to be included: energy, telecommunications, industrial zones and handicrafts areas.	Infrastructure expenditure will not only create a more conducive environment to increase productivity and spur growth, it will also be a major source of employment. The PRSP provides a detailed framework to revive and develop the various infrastructures, i.e., water supply, sanitation, transportation, electrification, and irrigation.	
6. Key Player	In previous poverty reduction documents, the Government was the main actor. The PRSP was produced through a participatory process that was intended to promote efficiency, responsibility, confidence and better governance.	Decentralization is promoted throughout the country. Civil society organizations are actively involved in the definition and implementation of development policy. Dialogue and partnership between the government and the private sector will be strengthened.	
7. Analysis For a landlocked country such as Mali, developing an effective transport network is crucial to stimulate the primary, secondary and tertiary sectors of its economy and thereby spur growth. Policy interventions are focused on rural development, and infrastructure is employed to support it.			

ISLAMIC REPUBLIC OF MAURITANIA: Poverty Reduction Strategy Paper, December 2000

1. Overview Thanks to a number of reforms, Mauritania has achieved a good economic performance during the last decade, accompanied by a perceptible reduction in poverty (from 56.6% in 1990 to 50.0% in 1996). The PRSP focuses on 4 main mutually reinforcing themes: (1) accelerated and re-distributive growth, (2) anchoring growth within the sphere of the poor, (3) human resource development and expansion of basic social services, and (4) promotion of institutional development and good governance.			
2. Key index			
Population	3 million	Life expectancy at birth	51.9
Surface area	1,026,000 km ²	Adult literacy rate (% of age 15 and above)	40.7
Gross Domestic Product per Capita (PPP US\$)	1,990	Primary education completion rate (%)	46
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	57.7
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Poverty affects nearly half of the population. Approximately 76.4% of the poor live in rural areas; the most affected being the arid zones as opposed to the "fleuve (river) areas." Poverty is measured by income and in terms of living condition.	The long-term objectives are to: reduce the proportion of the population living below the poverty threshold to under 27% by the year 2010 and below 17% in 2015; halve the incidence of poverty in rural areas by 2015; and achieve by 2015 the various social development objectives recommended at various World Summits (MDGs and related). The PRSP aims to achieve annual growth rate of 7% by 2004.	
4. Cause of poverty/ poverty reduction interventions	The PRSP distinguishes between rural poverty and urban poverty. The former is the result of the low productivity of agriculture and livestock, which is hampered by a number of causes (availability of water, access to land, financing, lack of infrastructure, livestock's very low degree of integration into formal economic circuits, small size of the domestic market). Urban poverty stems from lack of employment further compounded by intense migratory flows towards cities. The causes of urban poverty include: insecure land tenure, lack of financing, inadequate qualification and the weakness of technology transfer, and poor access to essential services.	In order to ensure equal distribution of growth benefits, five priority areas have been identified: integrated rural development, integrated urban development, education, health and water supply. State divestiture and liberalization of productive infrastructure sectors are among the measures designed to stimulate the private sector and create a friendly environment for investment. Job promotion and development of Small and Medium Scale Enterprises (SMEs) are the major components of the strategy to anchor economic growth in the environment of the poor. Protection and "safety nets" include mechanisms to ensure rural food security and combat exclusion in urban areas.	
5. Key infrastructure/ priority	Lack of adequate infrastructure is identified as a cause of both rural and urban poverty as it limits the scope for trade and marketing and increases the costs of production factors.	The strategy is built around two complementary components: clarifying the role and responsibilities of the State and the private sector and implementing coherent investment programs. Targeted sectors are land transportation, energy, telecommunications and ICTs. Hydro-agricultural infrastructure will be rehabilitated to support rice cultivation.	
6. Key Player	Since 1985, structural reforms have progressively reduced the Government's scope of intervention but it remains the arbiter, regulator and promoter of a favourable investment climate.	PRSP insists on broad participation and clear definition of the various stakeholders' role. The Government is expected to play a key role in areas that have a direct impact on poverty: education, health, infrastructure etc. The private sector is expected to increasingly drive economic growth. Partnerships between the government and civil society will be developed. A decentralization effort resulted in the creation of 208 autonomously administered communes.	
7. Analysis The PRSP builds upon the favourable poverty reduction progress recorded in the 1990s. The strategy aims at accelerating and redistributing growth in both rural and urban areas. Investment in the economic and social infrastructure is part of Mauritania's effort to "anchor" growth in the economic environment of the poor.			

REPUBLIC OF MOZAMBIQUE: Action Plan for the Reduction of Absolute Poverty (2001-2005) (PARPA), April 2001

1. Overview The fight against poverty has been going on since the first days of Independence. The PARPA is based on previous Government plans and other documents prepared by other organs of the State. Six priorities, referred to as the "fundamental areas of action", have been identified: education; health; agriculture and rural development; basic infrastructure; good governance; and macro-economic and financial management.			
2. Key index			
Population	18 million	Life expectancy at birth	39.2
Surface area	802,000 km ²	Adult literacy rate (% of age 15 and above)	45.2
Gross Domestic Product per Capita (PPP US\$)	1,140	Primary education completion rate (%)	36
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	40.2
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Reduction and elimination of poverty is the principal objective of development policies in the medium and long term. Poverty is measured by per capita consumption and non-consumption welfare indicators. The perception of poverty in relation to socio-cultural and historical contexts is also discussed.	The strategy recommends rapid pro-poor (broad-based) sustained growth as an essential and powerful tool for poverty reduction in the medium and long-term. The target of the GDP growth rate of 8% should help reduce poverty from 70% to less than 50% in 2010. This level of growth is seen as crucial to provide material benefits and better public services to the poor. Equally important is ensuring that the structure of growth actually benefits the poor. The strategy sees economic growth promotion and human development as two mutually reinforcing areas for action.	
4. Cause of poverty/ poverty reduction interventions	Nearly 70% of the population lives in absolute poverty (71.2% in rural areas and 62.0% in urban areas). The main determinants of poverty are: slow growth of the economy until the beginning of the 1990s; low levels of education of working-age household members; particularly women; high dependency rates in households; low productivity in the family agriculture sector; lack of employment; and poor infrastructure, especially in rural areas. The poor are also affected by natural disasters (flood) and economic shocks (low price of agriculture products in international markets).	With more than 70% of the population living in rural areas and an even higher proportion depending on agriculture for survival, agriculture and rural development constitute two priorities for poverty reduction and broad-based growth. The priority is on increasing income-generating opportunities; raising agricultural productivity and improving access to markets through better infrastructure development; using specific crops and innovative agricultural technologies; and enhancing food security. Other potential areas of action include selected social programs, housing, income generation and the creation of job opportunities creation (mining, fisheries, tourism, and manufacturing industry). Measures will be taken to strengthen national capacity to respond to natural disasters.	
5. Key infrastructure/ priority	The availability of adequate infrastructure is seen as "a basic factor to facilitate the initiatives and actions of citizens and their institutions". Infrastructure development is part of an effort to support both the private sector and agriculture.	Developing basic infrastructure is seen as a key role of the State. Fundamental (priority) areas of action identified consist of roads, energy and water but other sectors (telecommunications, railways, postal services, technology including ICT) are also discussed for longer-term action.	
6. Key Player	The production of development plans has been based on consultations concerning national and sectoral activities, involving a wide range of stakeholders.	The State is a "fundamental" actor but it must interact with other players. The strategy highlights collaboration between the state and the private sector and the partnership between foreign and domestic resources. Decentralization and de-concentration are promoted to impart greater dynamism and capacity to local governments.	
7. Analysis The ambitious poverty reduction goal set for 2010 calls for well-targeted interventions. Mozambique has identified a number of well-defined fundamental areas of action. The strategy presents a number of other areas of action, which are largely dependent on the success of the fundamental areas of priority. A prioritizing approach is also applied to the infrastructure sector. Improving the road network, expanding the population's access to energy and water are seen as essential steps to strengthen the agriculture and private sectors.			

REPUBLIC OF NIGER: Full Poverty Reduction Strategy, January 2002

1. Overview The fight against poverty and sustainable development became a central theme of the Government in the mid-1990s. The present strategy to improve the living conditions of the poor is based on 4 themes: (1) sustainable and sustained economic growth; (2) development of the country's productive sectors; (3) guaranteed access for the poor to basic social services; (4) strengthening of human and institutional capacities, promotion of good governance and decentralization.			
2. Key index			
Population	12 million	Life expectancy at birth	45.6
Surface area	1,267,000 km ²	Adult literacy rate (% of age 15 and above)	16.5
Gross Domestic Product per Capita (PPP US\$)	890	Primary education completion rate (%)	20
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	20.6
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Measurement is both quantitative and qualitative, including income, household consumption, and living conditions. Poverty in Niger is highly dependent upon the gender of the individual. Women are especially affected.	The target is to improve living conditions of the poor communities with the aim of reducing their number by at least 50% by 2015, thus demonstrating the government's commitment to the MDGs. During the 2001-2005 period it is expected that growth will be essentially driven by the agro-pastoral and the private sectors. The objective is to achieve an average annual 4% growth during this period.	
4. Cause of poverty/ poverty reduction interventions	In 1993, a survey revealed that 63% of the population lives below the poverty line. The incidence of poverty is higher in rural areas. The primary sector (agriculture and livestock rearing) employs 80% of the population but in structural terms the business-driven tertiary sector represented on average a preponderant part of the GDP in the 1990s. The secondary sector's part in GDP has continuously declined since 1995. The causes of poverty include: intense population pressure; drastic climatic constraints; desertification and soil degradation leading to reduced soil fertility; degradation of natural resources such as water; lack of capital to access inputs and farming equipment; village isolation; and scarcity of paid employment in rural areas.	Agriculture, livestock rearing and combating desertification are the key priorities. Irrigation will be developed (out of the 280,000 hectares of irrigable land only 13,700 are currently irrigated). Promotion of agro-pastoral exports (particularly to Nigeria) and wider application of the trade liberalization scheme within the Economic Community of West African State (ECOWAS) will be supported. In a broader context, the Government will continue its privatization program, reorganize the financial sector in order to finance growth, and improve infrastructure.	
5. Key infrastructure/ priority	In view of the size of the country and the fact that Niger is landlocked, opening up the country both internally and externally is seen as a top priority. Building the road network will also serve the needs of the under-exploited mining and energy sectors.	The priority objectives are: (1) ensuring the long term availability of investments and developing the road network; (2) focusing on opening up densely populated rural areas with high economic potential; (3) getting the population to participate in the construction and maintenance of roads; (4) enhancing the quality of service and performance of the transportation industry; (5) improving urban mobility and developing rural transportation; (6) and improving road safety.	
6. Key Player	The strategy was prepared in consultation with a wide range of actors (the government and its specialized agencies, general public, NGOs, the poor, the private sector, labour unions, farmer groups etc.) through institutional mechanisms put in place by the authorities.	Efforts will be made to mobilize all stakeholders and clearly define their respective role and responsibilities. The state will progressively relinquish some of its roles to the private sector. Similarly the civil society is becoming more and more involved in all matters concerning the nation.	
7. Analysis Supporting the two growth engines of the economy (agro-pastoral and private sectors) constitutes the basis of the PRS. Strengthening, rehabilitating and maintaining a strong road network to serve the needs of all regions including the poorest and the most remote areas.			

THE GOVERNMENT OF RWANDA: Poverty Reduction Strategy Paper, June 2002

1. Overview Since the war and genocide in 1994, Rwanda has achieved considerable progress in economic, political and social recovery by adopting radical reforms. In order to become a middle-income country by 2020, the PRSP identifies 6 priorities (ranked by importance): (1) rural development and agricultural transformation; (2) human development; (3) economic infrastructure; (4) governance; (5) private sector development; (6) institutional capacity building.			
2. Key index			
Population	8 million	Life expectancy at birth	38.2
Surface area	26,000 km ²	Adult literacy rate (% of age 15 and above)	68.0
Gross Domestic Product per Capita (PPP US\$)	1,250	Primary education completion rate (%)	28
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	6.2
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Poverty is the result of the combination of unfortunate economic and historical factors: productivity failure and demographic pressure on the one hand, war and the 1994 genocide on the other. Poverty is monitored by movements in consumption and the analyzing living conditions. A number of surveys have been conducted to assess poverty perception.	Rwanda needs a sufficient level of growth to keep pace with the rate of population growth. Estimates show that Rwanda could achieve between 4.2 and 5.2% growth if improved economic policies are implemented. Rwanda's focus will be on rural and more specifically agricultural growth to ensure that the incomes of the poor grow faster than those of other groups.	
4. Cause of poverty/poverty reduction interventions	About 53% of the households live below the poverty line. Approximately 90% of the working population is engaged in agriculture. The causes of poverty are: low agricultural productivity (one of the main reasons why incomes are low and falling) coupled with a low commercialization level; low human resource development; limited employment opportunities; high population density and growth combined with the legacy of genocide put pressure on all sectors, particularly land and housing; high transport costs; and environmental degradation.	Identified actions are twofold: re-capitalizing and transforming rural economy by building on traditional strengths and introducing new technologies on the one hand, and identifying new engines of growth by increasing competitiveness in services and industry on the other. Promotion of primary sector development in agriculture, livestock, garment, and mining are given priorities. Reconstruction of damaged social capital and reconciliation are also two fundamental aspects of Rwanda's recovery.	
5. Key infrastructure/priority	The inadequate infrastructure is the result of damage or poor maintenance and the construction of new isolated, designated settlements. Domestic use of electricity is very limited. Poor and declining access to water is observed despite the relatively good level of water resources in Rwanda.	The main priority sectors are: transport (road, rail and air), energy and communications. Specific environmental and agricultural infrastructure challenges refer to both constraints such as terracing, water catchments, erosion, and opportunities offered by new technologies to improve productivity. A number of initiatives to enhance infrastructure will be managed and implemented at the community level. The Government recognizes the importance of technology including ICTs. Participation of the private sector will be sought wherever possible.	
6. Key Player	The Government's priority has been restoring and maintaining peace and stability, two key preconditions for recovery, poverty reduction, and human development.	The strategy includes major emphasis on private sector development. Donors will also play a key role. The Government is committed to providing an enabling environment for civil society. Local communities, which used to have little role in the policy formulation and implementation, will be more involved in the future. Decentralization is seen as "central" to encourage people to work together at the local level.	
7. Analysis Overcoming the legacy of war and genocide implies addressing a number of interrelated economic, political and social factors. Rehabilitating and developing infrastructure is seen from both national (transport network and communications) and local (agricultural and environmental infrastructure) points of view.			

REPUBLIC OF SENEGAL: Poverty Reduction Strategy Paper, 2002

1. Overview The implementation of stabilization policies started at the end of the 1970s. In its PRSP, Senegal has adopted a comprehensive set of guidelines with the aim to pursue the following four goals to (1) double per capita income by 2015 in a context of strong, balanced and better distributed growth; (2) generalize access to the essential social services by accelerating the establishment of basic infrastructure facilities in order to strengthen the country's human capital before 2010; (3) eradicate all forms of exclusion in the nation and ensure equality of the sexes, especially in primary and secondary education, by 2015; and (4) implement a participatory and decentralized approach to the steering, execution, monitoring and evaluation of the programs.			
2. Key index			
Population	10 million	Life expectancy at birth	52.3
Surface area	197,000 km ²	Adult literacy rate (% of age 15 and above)	38.3
Gross Domestic Product per Capita (PPP US\$)	1,500	Primary education completion rate (%)	41
Aid dependency (% of central government expenditure)	41.6	Level of urbanization (% in 2000)	47.4
	Poverty diagnosis		Action to address poverty
3. Recognition of poverty, and its relation to economic growth	Poverty is measured by consumption level. As a co-founder of the partnership, Senegal is strongly committed to NEPAD.		In order to reduce the percentage of poor people by at least 15% over the period 2003-2005, Senegal's objective is to achieve an annual average growth of 7-8% complemented by improved efforts in the quality of services.
4. Cause of poverty/ poverty reduction interventions	In 2001, a survey estimated that 53.9% of the households lived below the poverty line but another study shows that 65% of the households perceive themselves as poor. Poverty is largely a rural phenomenon. Determinants include absence or insufficiency of income and of access to basic social services. Economic growth was lower than demographic growth from 1960 to 1993. The economy is characterized by low productivity of the agriculture (50% of the population works in this field, representing only 10% of the GDP) combined with a vulnerability to outside shocks; low employment creation; and the weakness of export volumes and diversification (three products account for 60% of the total).		The focus is on: (1) creating wealth in poor areas using the production factors they possess (improve agricultural productivity through modernization and intensification, support the creation of SME, and develop opportunities for private sector initiatives); (2) strengthening capacity building; (3) and ensuring the protection of the vulnerable. Non-agricultural sources of income, fishery, craft activities, energy and mining sectors, and the third sector (which amounts for 60% of the GDP) will be promoted and supported.
5. Key infrastructure/ priority	Except for telecommunications, infrastructure is poorly developed. The inadequacy and mediocrity of the road and port infrastructure add to transportation costs. Only 25% of the population has access to electricity.		As clearly stated in the strategy's key goals, the establishment of basic infrastructures is seen as a prerequisite for strengthening the stock of human capital. The government's efforts aim also at facilitating access of a vulnerable population to infrastructures.
6. Key Player	A participatory approach at both national and local levels of all public sector, private sector, civil society players, and development partners was applied to the preparation of the PRSP.		The implementation of the decentralization process has pointed to a number of problems: lack of resources of local authorities, non-functionality of support agencies, and inadequate comprehension of the meaning of decentralization. The decentralization process will nevertheless be pursued, improved and deepened. The strategy stresses the role of beneficiaries to ensure ownership. The Government, local authorities, civil society and donors will be responsible for the implementation and monitoring of the PRS.
7. Analysis The main guiding principles of the PRSP are strongly rooted in the doctrine of the continent's partnership for development. Senegal PRSP directly links the provision of adequate and well-distributed infrastructures with the delivery of social services as a way to strengthen human capacity development.			

THE UNITED REPUBLIC OF TANZANIA: Poverty Reduction Strategy Paper, January 2000

1. Overview The Government of Tanzania has been addressing the challenges of ignorance, disease and poverty ever since Independence in 1961. The PRSP identifies 3 leading objectives (1) reducing income poverty; (2) improving human capabilities, survival and social well-being; and (3) containing extreme vulnerability among the poor.			
2. Key index			
Population	35 million	Life expectancy at birth	44.0
Surface area	945,000 km ²	Adult literacy rate (% of age 15 and above)	76.0
Gross Domestic Product per Capita (PPP US\$)	520	Primary education completion rate (%)	60
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	32.9
	Poverty diagnosis		Action to address poverty
3. Recognition of poverty, and its relation to economic growth	Poverty has been one of the main targets of Tanzanian development. Poverty is measured by income and non-income criteria.		The target is to reduce poverty from 48% in 2000 to 42% in 2003 (from 57% to 49.5% in rural areas). A key objective will be to promote accelerated and equitable growth. The target is to achieve an annual average 6% growth from 2000 to 2003. This growth will be generated by the agriculture, industry and service sectors.
4. Cause of poverty/ poverty reduction interventions	Poverty incidence is estimated at 48% of the population but rural poverty incidence reaches 57%. Poverty rate in urban areas other than Dar es Salaam is 41%. In rural areas, farmers are poorer than non-farmers while in urban areas, the poor are concentrated in the informal sector. Participatory poverty assessment identified a number of main problems which are themselves the consequences of a number of factors: income poverty; lack of educational opportunities; poor availability of health services; governance; gender, social and cultural issues; inadequate development of economic infrastructure; unsupportive financial markets; and the absence of promotion of environmentally sensitive exploitation of land and other natural resources. Other threats include famine often resulting from drought or floods, and the increasing impact of HIV on the society.		The Government's role will be to develop sound policies, the poor and the private sector are expected to take the lead in developing durable schemes to support rural development and export growth: credit will be provided by crop buyers instead of the government; farmers will be encouraged to organize themselves in groups or cooperatives and local communities will be encouraged to rehabilitate and maintain roads and to develop irrigated farming.
5. Key infrastructure/ priority	Infrastructure was mentioned by a large majority (44) of the 62 groups formed within the framework of the Zonal workshop consultation. All-weather roads, development of water resources and telecommunications were identified as priority areas.		The government will seek to reduce dependence on rain-fed agriculture by supporting community-based irrigation schemes in the arid area and improve access to food supplies in surplus regions. As already noted, local communities are expected to play a key role. The PRSP does not provide details on how Tanzania will address the inadequacy of road networks and the telecommunications sector.
6. Key Player	Initial efforts to address poverty were centrally directed whereas recent efforts have been pursued under relatively decentralized initiatives.		A process has been launched to decentralize at the district, municipality and community level but it will take time to complete.
7. Analysis All actors are expected to play a role in spurring accelerated equitable growth to reduce poverty and improve well-being but the PRSP gives important responsibilities to the poor themselves at the community level. This applies for the development, rehabilitation and maintenance of infrastructure as well.			

UGANDA: Uganda's Poverty Eradication Action Plan (PEAP), March 2000

1. Overview The Plans overall objective is to transform Uganda into a modern economy where people in all sectors can participate in economic growth. The goal is to eradicate absolute poverty. The Plan is established on 4 interacting pillars: (1) Creating a framework for economic growth and transformation; (2) Ensuring good governance and security; (3) Directly increasing the ability of the poor to raise their incomes; (4) Directly increasing the quality of the life of the poor. Initially designed in 1997, the PEAP was revised in 2000 to take into account new findings including those of the Uganda Participatory Poverty Assessment Project (UPPAP).			
2. Key index			
Population	23 million	Life expectancy at birth	44.7
Surface area	241,000 km ²	Adult literacy rate (% of age 15 and above)	68.0
Gross Domestic Product per Capita (PPP US\$)	1,490	Primary education completion rate (%)	65
Aid dependency (% of central government expenditure)	64.6	Level of urbanization (% in 2000)	14.2
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Poverty eradication is the "fundamental goal" of the government. The proportion of Ugandans in consumption poverty fell from 56% in 1992 to 44% in 1997. Despite this, the UPPAP indicates that many communities consider that poverty is increasing. Poverty is measured by income and consumption levels.	The Government's target is to reduce the headcount of income poverty to 10% of the population by 2017. Sustainable, broad-based economic growth and the generation of employment are necessary conditions for poverty eradication. Growth will be driven by three main factors: accumulation of human and physical capital and the shift of labour from agriculture to manufacturing. Studies show that a 7% average annual growth is feasible. To achieve such a growth, Uganda will have to build institutions needed for higher growth and a framework for the private government to expand.	
4. Cause of poverty/ poverty reduction interventions	Poverty is attributed to low rates of economic growth, low and unequally- distributed incomes, land shortage, low levels of education, illness, isolation, disempowerment and insecurity. Agriculture is the main employment sector. Armed conflict has been a decisive factor in the impoverishment of the North and the East. Farmers greatly benefited from the combination of two events: the increase of coffee prices on the international market and liberalization policies, which passed the price increase on to the farmers.	The focus is on higher agricultural growth and creation of non-farm employment in rural areas. The Plan for the Modernization of Agriculture (PMA), which articulates a number of themes (training, research and technology, access to rural finance etc.), is at the core of the strategy for reviving and strengthening agriculture. Employment outside agriculture will be promoted through microfinance, advisory services and vocational training. Land rights, particularly for women, are to be strengthened.	
5. Key infrastructure/ priority	The lack of adequate infrastructure impedes the access of the poor to markets. Feeder roads and electrification are the priorities. The strategy does not provide any action plan for the telecommunications sector.	Road rehabilitation and maintenance will be carried out through labour-intensive methods, which will contribute to local employment generation. Smart subsidies will be used to encourage private entrepreneurs to invest in the power and electricity infrastructure in rural areas (coverage target for electrification is 12%). Local communities are involved in the building and maintenance of water and sanitation facilities.	
6. Key Player	Powerlessness was reflected in the findings of the UPPAP. This is why the Government of Uganda aims to implement a number of reforms and measures to give poor communities a voice.	Bottom-up participation of Districts is promoted to plan, monitor and assess poverty reduction efforts. Substantial power has been transferred to the District level. Poverty eradication is a partnership between the government and the development partners. The strategy defines clearly the role of each stakeholder.	
7. Analysis , Uganda will focus on improving agriculture and creating non-farm employment to strengthen growth and achieve the ambitious poverty reduction objectives they set. The outcome of these efforts depends greatly on success in other areas particularly the restoration of peace and security in the North and East. Infrastructure is not discussed at length, however, the need to extend road and electricity networks are highlighted.			

REPUBLIC OF YEMEN: Poverty Reduction Strategy Paper 2003-2005, May 2002

1. Overview Poverty in Yemen can be attributed to the given natural/geographical condition, including scarcity of water resources, limited arable area, geographical features such as rugged terrain, and poor human capacities and lack of political stability. The PRSP was formulated within the framework of the Second Five-Year Plan (SFYP) for Social and Economic Development, 2001-2005, which gave the core and the basic ingredient of the PRSP, such as the promotion of economic growth, reduction of poverty, creation of jobs and ensuring socio-economic stability. The PRSP aims to (1) achieve economic growth, (2) promote human resources development, (3) improve infrastructure, and (4) ensure social protection.			
2. Key index			
Population	19million	Life expectancy at birth	59.4
Surface area	528,000 km ²	Adult literacy rate (% of age 15 and above)	47.7
Gross Domestic Product per Capita (PPP US\$)	790	Primary education completion rate (%)	58
Aid dependency (% of central government expenditure)	23.0	Level of urbanization (% in 2000)	24.7
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Poverty is recognized as an economic and social problem. The 1998 Household Budget Surveys (HBS) measured poverty by income level that can maintain the basic essential food requirement. Acknowledging the multidimensional characteristics of poverty, other indicators such as income to meet non-food needs are also employed.	Yemen aims to achieve sustainable economic growth and diversify the economic base. The PRSP set a goal to reduce poverty by 13.1% in 2003-2005 through economic growth. Measures to achieve economic growth will be focusing on the non-oil sectors, reflecting the recent decline in the oil-related revenue.	
4. Cause of poverty/poverty reduction interventions	The 1998 HBS revealed that 17.6% of the total population lives below the food poverty line and approximately 6.9 million people live in the different dimensions of poverty. Poverty is largely a rural phenomenon, given that the majority of people live in rural areas, despite rapid urbanization. Rural areas account for 83% of the poor and 77% of the total population, 45% of which live in poverty, whereas 30.8% of the urban population is impoverished. Analysis of the data obtained from the 1998 HBS indicated that large family size with a large number of infants and children, families headed by widower or a widow, underemployment, unemployment, and geographical location, which reflect the regional disparities in allocation of governmental resources, are considered critical factors in the probability of falling into poverty.	Priorities are given to those sectors that hold a large share of the workforce, including agriculture and fisheries; manufacturing such as oil refining, food manufacturing, textiles and clothing; construction; trade and re-export. The government will attain economic growth by providing infrastructure and removing constraints so that the private sector and investment are encouraged. Besides, controlling population growth is also an important factor in Yemen for successful poverty reduction. Given the scarcity of water resources and the huge cost of overcoming that issue, Yemen sees the positive role of migration from highland areas to coastal regions (not to urban areas) in poverty reduction.	
5. Key infrastructure/priority	Rural road networks are scarce. Irrigation is very inefficient in terms of water use. Poor quality of water, shortage of water supply and sewerage services are getting worse in urban areas.	The expansion of the supply of water, sanitation and drainage services, electricity coverage, promotion of rural electrification, construction of rural and regional roads, improvement of irrigation efficiency, maintenance of existing infrastructure, and necessary infrastructure for developing coastal regions are mentioned.	
6. Key Player	The number of civil society organizations has increased, taking broader responsibilities in local community development, elimination of illiteracy, health care, and cooperatives.	The private sector is expected to lead economic growth, while the government focuses on creating a favourable climate and improving social services. Privatization will be further implemented and public participation will be encouraged.	
7. Analysis While Yemen recognizes the importance of continuing development of agricultural and fisheries sectors, it also admits its limitation and its high cost, given the scarcity of water resources. The PRSP thus plans to create new growth poles in coastal regions by providing infrastructure. This is, however, a questionable solution for addressing rural poverty, since it neglects social/financial costs of migration for the poor as well as the risks the plan contains.			

REPUBLIC OF ZAMBIA: Zambia Poverty Reduction Strategy Paper 2002 - 2004, March 2002

1. Overview Zambia has relied for a long time on the mining sector to fuel its economy. Faced with a deteriorating situation in this sector, Zambia has now embarked on a comprehensive strategy to transform its economy. In view of the limited financial and human resources, the country will focus on a set of key objectives to: (1) revive growth; (2) develop an adequate infrastructure; (3) ensure fiscal and balance of payment sustainability; (4) enhance social service delivery, respond to the threat of HIV AIDS and the consequent human resource depletion; (5) address the needs of the most vulnerable; and (6) improve governance.			
2. Key index			
Population	10 million	Life expectancy at birth	33.4
Surface area	753,000 km ²	Adult literacy rate (% of age 15 and above)	79.0
Gross Domestic Product per Capita (PPP US\$)	780	Primary education completion rate (%)	73
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	39.6
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Poverty is measured in terms of income, non-income and HPI. Failure of agricultural sector policies and lack of gainful employment are perceived as the two main causes of poverty.	Tangible economic growth has been absent for the last thirty years whereas the population size has more than trebled since Independence. The PRSP recognizes that little can be achieved unless measures are taken to revive Zambia's economy. The focus is therefore to achieve strong, sustained, broad-based economic growth. Due to the declining mining sector, growth is not expected to exceed 4% per annum up to 2004.	
4. Cause of poverty/ poverty reduction interventions	Once a prosperous country, Zambia now has a poverty incidence of 73% (83% in rural areas and 56% in urban areas), which makes it one of the least developed countries. Most of the rural poor are farmers (small-scale farmers particularly). Agriculture and a variety of poorly-rewarding, informal, seasonal, income-generating activities provide the living of most rural and urban poor. This has resulted in food insecurity and high prevalence of malnutrition among both children and adults. A declining mining sector (the economy's driving force), the absence of other substitute sector coupled with the destroying effect of AIDS on the economy and society have worsened the poverty situation.	Uncertainty in the mining sector threatens the viability of implementing the PRSP. Enhanced agricultural productivity is given the highest priority under this PRSP, as most of the poor are involved in agriculture. Large-scale agriculture, producing products for export, is presented as a potential substitute to the declining mining industry. All these efforts in the agricultural sector will not prevent Zambia from trying to revive the mining sector through privatization. Tourism will also be promoted. Industries that process primary goods will be supported to add value to agricultural products before export. HIV-AIDS is a cross-cutting theme requiring a multifaceted approach.	
5. Key infrastructure/ priority	For a landlocked country like Zambia, a good transportation network is crucial. It is estimated that over the period 1994 to 2001, transport and communications have contributed 3.2% to GDP in real terms. The PRSP notes the direct impact of transport and communication on agriculture, trade and commerce, mining, tourism and the delivery of social services.	Rural roads and the energy sectors receive priority to facilitate faster and diversified agricultural activity. Concessions on Zambia Railways will be offered to the private sector. Private sector participation will also be sought in the procurement and distribution of oil and in the construction of electrical generation plants. Private sector involvement in irrigation and dam construction is also stressed. Telecommunications will be developed in high potential areas.	
6. Key Player	The role of the state in establishing an enabling environment for the private sector, NGOs, CBOs and the beneficiaries were highlighted.	Decentralization (political/administrative and fiscal) is considered as an important prerequisite to the attainment of the strategy's goals.	
7. Analysis The PRSP identifies new engines of growth to complement and substitute the declining mining sector. The establishment or rehabilitation of infrastructures is designed in a way to accompany and support new and existing sectors. Consequently, infrastructure deployment in high potential areas (large-scale farming, new mining sites) takes priority. The PRSP provides a sound analysis of the positive and negative impact of transport and communication infrastructure on growth.			

KINGDOM OF CAMBODIA: National Poverty Reduction Strategy 2003 - 2005, Dec 2002

1. Overview In the past 10 years, there was modest progress in poverty reduction while Cambodia's economy has grown rapidly. The PRSP was built on the Second Socio-economic Development Plan (SEDP II) with additional work to draw more attention to pro-poor growth and poverty reduction. The priority actions are (1) maintaining macroeconomic stability, (2) improving rural livelihoods; expanding job opportunities, (3) improving capabilities (education and health), (4) strengthening institutions and improving governance, (5) reducing vulnerability and strengthening social inclusion, (6) promoting gender equity, and (7) priority focus on population.			
2. Key index			
Population	12 million	Life expectancy at birth	57.4
Surface area	181,000 km ²	Adult literacy rate (% of age 15 and above)	68.7
Gross Domestic Product per Capita (PPP US\$)	1,860	Primary education completion rate (%)	70
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	15.9
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Poverty and inequality are perceived as huge obstacles to peace building and social stability, the inclusion of Cambodia to the international community, and the promotion of economic and social development. Poverty is mainly measured by income, consumption, and the HDI.	Economic growth is a prerequisite to generate the necessary resources for addressing poverty. Thus, the Government's main concern is broad-based sustainable economic growth with equity.	
4. Cause of poverty/ poverty reduction interventions	People below the national poverty level account for 36% of the total population. The agricultural sector occupies about 70% of total employment. Approximately 79% of farmers live in poverty. The causes of poverty are attributed to high population growth, limited access to land, natural resources, basic infrastructure and services, non-farm employment, low agricultural productivity, food insecurity, poor health, nutrition and education, social unrest, vulnerability to sudden shocks, and displacement relevant to the civil war. Landmines prevent people from accessing natural resources.	The industrial sector is viewed as the main engine for economic growth, particularly labour-intensive manufacturing industries such as the garment/footwear industry. Both export oriented and import substitution industries are promoted in such areas as agricultural production/natural resource processing, SMEs, appliances, and electronics production for domestic and industrial purposes. Increasing income of the people in rural areas is promoted by land management in favour of the poor, modernization and commercialization of agriculture, improved transport infrastructure, diversification of products for food security, R & D, training, and expansion of income-generating opportunities through public works projects.	
5. Key infrastructure/ priority	Rural areas lack water supply, electricity, sanitation, and access to social services and markets, due to road/transportation deficiency. Other than these, there are not many given explanations of infrastructure issues.	To increase international competitiveness, development and improvement of infrastructure in water/power supply and ICT services are prioritized for industry development and FDI attraction. In rural areas, irrigation, roads development/maintenance, basic physical infrastructure (water, sanitation, electricity, roads), and ICTs draw attention. In urban areas, provision of basic physical infrastructure for the urban poor is addressed.	
6. Key Player	The central government plays the key role. Community participation is not active due to the limited access to governmental information. Involvement of NGOs and the private sector are not mentioned.	Private sector is expected to play the leading role in economic sustainable broad-based economic growth with equity. Decentralization and community participation both in rural and urban development are promoted.	
7. Analysis Regional focus of infrastructure investment for poverty reduction is given to rural areas where the majority of the poor are concentrated. The economic development strategy is focused primarily on the development of the secondary industry, implying that the migration of the abundant labour force from rural to industrial areas and urbanization are inevitable. Given the high level of debt and the strong link between PRSP and the budget plan in Cambodia, economic growth is the key for generating resources to address both debt and poverty. Infrastructure contributes to poverty reduction by improving access to social services and markets as well as providing employment opportunities.			

MONGOLIA: Economic Growth Support and Poverty Reduction Strategy, July 2003

1. Overview The collapse of the former Soviet Union triggered the decline of the Mongolian economy. The Government of Mongolia has since initiated the building of a democratic society and a market economy. However, only a modest increase was achieved in economic growth and this worsened poverty and inequality. The PRSP is interlinked with other major policies, such as the Government Action Plan and the Rural Development Strategy. Priorities for short-term are given to (1) deepening the reforms for ensuring macroeconomic stability, (2) improving the banking and financial sectors, (3) promoting an export oriented industry and private sector-led economic growth, (4) supporting regional/rural development through intensification of infrastructure, (5) equalizing access to social services, (6) reducing unemployment and poverty, (7) ensuring sustainable development and ecological balance, (8) speeding up the land reforms, (9) improving the living environment/standard of the people, (10) improving governance, and (11) promoting gender equality.			
2. Key index			
Population	2 million	Life expectancy at birth	63.3
Surface area	1,567,000 km ²	Adult literacy rate (% of age 15 and above)	98.5
Gross Domestic Product per Capita (PPP US\$)	1,740	Primary education completion rate (%)	82
Aid dependency (% of central government expenditure)	65.9	Level of urbanization (% in 2000)	63.5
	Poverty diagnosis		Action to address poverty
3. Recognition of poverty, and its relation to economic growth	Poverty is seen as the negative effect of the transition period and the main cause of social problems, such as crimes, which hinder economic growth. Poverty is measured by the living standards survey, which was developed by the Government of Mongolia.		The Government sees economic growth as a prerequisite in poverty and income inequality reduction. Private sector, export-oriented industry, and improved human capital factors are expected to lead sustainable economic growth.
4. Cause of poverty/ poverty reduction interventions	Rapid transition negatively affected the macro economy, resulting in redundancies and the closing down of enterprises. A survey in 1998 indicated that 35.6% of the total population, 39.4% of urban population, and 32.6% of rural population are below the poverty line. Poverty is found especially in single parent-headed households, households with a small number of livestock, the unemployed, the uneducated, and specific vulnerable groups. The low population density in rural areas makes it difficult for people to access market and social services. A narrow economic base and remoteness to the global market are the major obstacles for economic growth.		Prioritized areas are to develop/support an export oriented industry by attracting foreign direct investment, support the regional/rural development and SMEs, provide better access to market, improve the quality of/accessibility to education and health care services, generate employment, implement land reforms, and recover the environment. The geographical focus is broad, given the landlocked geographical disadvantage, trunk road networks and railways that connect not only urban to urban/rural areas, but also Mongolia to other countries to get access to the sea are emphasized.
5. Key infrastructure/ priority	Bridges, roads, dams, and irrigation canals in rural areas provided a good base for economic growth and temporary employment opportunities. Water supply and sanitation facilities also contributed to improving people's lives.		Energy, roads, and ICTs are favoured in creating a better business climate. The provision of better access to the market and resources to enhance business activities are strongly emphasized. Improvement of the rural infrastructure is prioritized but only briefly broached.
6. Key Player	Decentralization, the promotion of public participation, and privatization reduced the role of the central government. The Government heavily depends on aid from donors.		Both domestic and international private investment is expected to play an important role in every aspect of infrastructure provision as the Government promotes privatization and private sector participation. To address urban-rural disparities, expansion of decentralization is planned. Civil society participation in development is encouraged. Keeping the financial support of international donor communities is crucial.
7. Analysis The focus of the PRSP on economic growth is evident. It aims to reduce poverty by increasing non-farm employment and deepening industrialization especially in rural areas. Given rapid urbanization in the capital city and a subsequent increase in urban poverty, the Government is trying to decentralize the growth poles. Besides income opportunity generation, there is little planning that directly addresses rural poverty.			

KINGDOM OF NEPAL: The Tenth Plan 2002-2007, May 2003

1. Overview After two decades of steady economic growth, Nepal experienced recession in 2001/02 due to the fragile economy affected by global recession and current social disorder. Nepal explicitly started tackling poverty since 1985. Nepal deduced from little achievement of the 9 th national development plan that political stability, strong government commitment, firm linkages between priorities and budget, monitoring, and reduced role of the central government are necessary. The PRSP in the 10 th national development plan is formulated based on four pillars - (1) broad based high and sustainable growth, (2) social sector development with emphasis on human development, (3) targeted programs with emphasis on social inclusion, and (4) improved governance. The plan envisions that it needs 6.2% of GDP annual growth with significant agricultural growth for successful implementation of this poverty reduction.			
2. Key index			
Population	24 million	Life expectancy at birth	59.1
Surface area	147,000 km ²	Adult literacy rate (% of age 15 and above)	42.9
Gross Domestic Product per Capita (PPP US\$)	1,310	Primary education completion rate (%)	65
Aid dependency (% of central government expenditure)	39.4	Level of urbanization (% in 2000)	11.9
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Poverty reduction is the prioritized objective of the development plan. The majority of the poor are in chronic poverty and in the areas without basic infrastructure. To grasp poverty, income, Human Development Indicators (HDI), and empowerment dimension of poverty are used.	Sustainable high economic growth is the key element for poverty reduction, but the focus is to make growth more pro-poor, by aiming to increase income and employment in rural areas where the majority of the poor live. Mainstreaming excluded people and backward regions into the development process is emphasized.	
4. Cause of poverty/ poverty reduction interventions	Poverty is largely recognized as a rural phenomenon. Mountain areas and Western remote areas have been excluded from the economic opportunities due to the limited access to services and resources. The majority of the poor live in rural areas (86%), 90% of which are engaged in agriculture. The non-agricultural sectors such as manufacturing, trade, tourism, and services grew fast in the central/urban regions, while agricultural growth remained low due to low productivity. The rural poor suffered from an imbalanced distribution of the land, limited access to micro finance, Extension/Veterinary, remoteness to market, lack of non-agricultural income opportunities, social services and infrastructure.	The poverty reduction strategy is rural-oriented, focusing on agricultural rural/agricultural growth. The first priority is given to improving the productivity of agriculture, followed by such non-agricultural sectors as tourism, export-oriented manufacturing and hydraulic power generating, and infrastructure development, where strong potential for income and employment growth is expected. Agricultural R & D and supportive land reform for the poor are to be taken forward. Human resource development with emphasis on education and health care is seen as being crucial for poverty reduction and reinforcing economic development. Targeted programs, one of the four pillars of the Plan, aim to provide income earning opportunities in backward regions through public works packaged with training programs, and credit/technical support	
5. Key infrastructure/ priority	In the previous national development plan (9 th plan), roads, irrigation, telecommunications, and electrification were deemed as vital infrastructure. Irrigation and telecommunication sectors are behind the development goals.	Irrigation, rural roads/electricity, and communications networks are given higher priority in order to facilitate productivity gain in agriculture sector. Infrastructure development is seen as the facilitator of private sector development. At national level, road construction/maintenance, electricity and communication are prioritized.	
6. Key Player	The central government played the vital role while decentralization, private sector participation, and community participation were promoted.	The role of the Government is planned to be limited to leveraging the non-governmental sector. The central Government seeks to make the most of the private sector, NGOs, Community Based Groups and local governments in economic activities, infrastructure development, and service delivery.	
7. Analysis The Plan aims to realize poverty reduction through pro-poor economic growth by focusing its intervention on rural/agricultural development. The Plan sees the a larger role for infrastructure in poverty reduction, especially the road networks and electrification, expecting that backward regions will gain increase in agricultural productivity and non-farm employment opportunities once better access/service is provided. The Plan stresses the participation of the private sector, community based groups, and NGOs in the provision of infrastructure.			

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA: Connecting To Growth: Sri Lanka's Poverty Reduction Strategy, December 2002

<p>1. Overview Sri Lanka has committed to liberalization and economic reform. However, many policies were left unimplemented and recently the country has gone through civil conflict in the North and the East and is deeply in debt. 'Regaining Sri Lanka: Vision and Strategy for Accelerated Development' is the prime document of the Government's economic program, comprised of three parts. Part 1: Vision for Growth describes the framework for economic reform and growth, Part 2 is Sri Lanka's PRSP, 'Connecting To Growth' which links the poor region/people to economic growth, and Part 3 is an integrated action plan. The PRSP focuses on (1) creation of a supportive macroeconomic environment, (2) reduction of conflict-related poverty, (3) creation of opportunities for pro-poor growth, (4) human development (education, health, basic human needs), and (5) pro-poor governance and empowerment.</p>																			
<p>2. Key index in 2001</p> <table border="1"> <tr> <td>Population</td> <td>19 million</td> <td>Life expectancy at birth</td> <td>72.3</td> </tr> <tr> <td>Surface area (km²)</td> <td>66,000</td> <td>Adult literacy rate (% of age 15 and above)</td> <td>91.9</td> </tr> <tr> <td>Gross Domestic Product per Capita (PPP US\$)</td> <td>3,180</td> <td>Primary education completion rate (%)</td> <td>111</td> </tr> <tr> <td>Aid dependency (% of central government expenditure)</td> <td>8.0</td> <td>Level of urbanization (% in 2000)</td> <td>23.6</td> </tr> </table>				Population	19 million	Life expectancy at birth	72.3	Surface area (km ²)	66,000	Adult literacy rate (% of age 15 and above)	91.9	Gross Domestic Product per Capita (PPP US\$)	3,180	Primary education completion rate (%)	111	Aid dependency (% of central government expenditure)	8.0	Level of urbanization (% in 2000)	23.6
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	Poverty diagnosis		Action to address poverty																
<p>3. Recognition of poverty, and its relation to economic growth</p>	<p>Poverty in Sri Lanka is largely attributed to a two-decade conflict. Slow economic growth (the average GDP/capita growth rate is 3.9% in 90's) is considered as the outcome of the conflict and is not enough to generate resources to address poverty. The high level of debt is also the heavy burden for the Government to make a new action. Given relatively high performance in HDI, poverty is measured by consumption and income.</p>		<p>Vision for Growth sets four challenges to overcome – (1) to increase jobs, (2) to avoid debt crisis, (3) to generate resources for reconstruction, (4) to increase income by improving productivity and higher investment. To overcome debt crisis, generate resources for poverty reduction and stabilize society, the Government set the goal for GDP growth rate of 8-10%.</p>																
<p>4. Cause of poverty/ poverty reduction interventions</p>	<p>Poverty is predominantly a rural phenomenon. Nearly 90% of the poor live in rural areas. It is estimated that chronic poverty accounts for about 25% and transitional poverty accounts for about 15% of the total population respectively. The majority of the poor are small landholders, with few non-agricultural income sources, and underemployed workers. Prolonged civil conflict has worsened the poverty conditions in the North and the East.</p> <p>The major causes of poverty are remoteness to markets, lack of information, infrastructure, good quality of education, and health care services. Low productivity in agriculture accounts for rural poverty.</p>		<p>The geographical priority is given to rural areas. Special attention is given to the North and the East to address conflict-related poverty. The Government plans to connect poor regions to the rapid growing domestic/international markets for pro-poor growth, by improving transportation, and communication networks. The economic base is to be shifted from low productivity agriculture to high productivity sectors. The commercialization of agriculture is fostered by an introduction of private sector involvement and deregulation. The PRSP expects an increase in rural-urban migrants. Wider participation into the process of urbanization is seen to ensure pro-poor urbanization. SME development to create non-farm employment opportunities is encouraged.</p>																
<p>5. Key infrastructure/ priority</p>	<p>Social/regional isolation due to lack of transportation networks (roads, railways, ports, public transportation systems), communication networks and limited access to clean water and sanitation hinder emerging from poverty.</p>		<p>Improving transportation networks, i.e., port, national highway and road, public transportation, and ICTs are the measures to integrate rural and poor regions into growing regions. Provision of water and sanitation is considered to be the crucial element for human development.</p>																
<p>6. Key Player</p>	<p>Due to the partial decentralization and private participation, the central Government continues to play a key role in the economy and the provision of infrastructure.</p>		<p>For peace keeping and the reconstruction process, donor communities play a significant role in financial assistance. The participation of the private sector and community based organizations, and decentralization will be further promoted.</p>																
<p>7. Analysis Public debt and its interests are the huge burdens and thus force the Government to put emphasis on achieving high rate of economic growth. Sri Lanka's PRSP explicitly uses urbanization/industrialization as a tool for poverty reduction, exploiting the available resources in rural areas and transferring them to markets by improved transportation networks.</p>																			

SOCIALIST REPUBLIC OF VIET NAM: The Comprehensive Poverty Reduction and Growth Strategy, May 2002

1. Overview Viet Nam's experience in the past 10 years placed it among the best-performing countries in achieving both economic growth and poverty reduction. Viet Nam's PRSP is based on national development plans of various sectors, linking them to social issues, namely poverty. It functions as an action plan. The core objectives of the strategy are to (1) promote rapid and sustainable economic growth with equity, (2) create a good business climate with emphasis on FDI attraction, (3) continue structural reform, (4) encourage human development with consideration to gender, minority, and urban poverty, (5) develop/expand social protection, and (6) undertake reform of public administration.			
2. Key index in 2001			
Population	81 million	Life expectancy at birth	68.6
Surface area (km ²)	332,000	Adult literacy rate (% of age 15 and above)	92.7
Gross Domestic Product per Capita (PPP US\$)	2,070	Primary education completion rate (%)	101
Aid dependency (% of central government expenditure)	18.0	Level of urbanization (% in 2000)	19.7
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Viet Nam takes poverty to be one aspect of targeted growth, thus poverty reduction serves as the foundation for social equality and sustainable economic growth. A large segment of the people are vulnerable to negative shocks and could easily fall into poverty. Income poverty and food poverty (below 2,100 calorie intake/day) are used as a measure.	Viet Nam continues to recognize that high and sustainable growth provides the poor with opportunities to move out of poverty. The Government recognizes the huge role that economic growth plays in generating resources for poverty reduction as well as enabling the poor to help by themselves. To ensure the growth to be pro-poor, job creation, improved access of the poor to opportunities/services, and resource allocation are stressed.	
4. Cause of poverty/ poverty reduction interventions	Poverty is largely a phenomenon in rural, mountain, and isolated areas. Approximately 90% of the total poor occupy rural regions, 64% of which live in the Northern mountainous region, North Central region, Central Highlands, and Central Coastal region. Limited opportunities make women and ethnic minorities poorer. The causes of poverty are the vulnerability of the poor areas to sudden shocks including natural disaster, lack of basic infrastructure, social services, limited access to lands, markets, information, and non-farm employment. Households with a large number of children are likely to be impoverished. Urban poverty is increasing due to the reform of state sectors and rapid urbanization/industrialization coupled with migrants who don't have access to social services.	Priorities are given to agriculture and rural development to ensure food security, diversify agricultural production including high value crops and processed products, and to attract investment. Industries that can maximize the advantage of labour-intensive production and utilize domestic production of agriculture, fisheries, forestry, and raw materials are to be developed and expanded. Support for SMEs and industries that serve agriculture/rural areas are given to creating new employment and promote modernization and industrialization. Urban poverty is to be addressed by providing jobs, credits, training, and infrastructures. Special focuses are put on transportation development in the Northern mountainous region and irrigation both in the Central Highlands and Central regions. The criteria of giving priority for each program/project is to be developed based on program evaluation and/or cost benefit analysis at the stage of implementation of PRSP.	
5. Key infrastructure/ priority	Lack of transportation/roads, electricity, irrigation, and water supply are commonly found in remote and isolated poor regions. The urban poor lack access to safe water, sanitation, and water drainage.	Spending priorities go to rural infrastructure, electrification, providing small irrigation systems, a clean water supply, sanitation facilities, and to support urbanization and industrialization. The expansion of national road networks is also stressed.	
6. Key Player	The success in the past poverty reduction is attributed to the involvement of the Government, mass organizations, and communities.	The Government remains playing the key role in economic growth, poverty reduction, and infrastructure delivery, while decentralization, participation of private sector, NGOs, and people are to be promoted.	
7. Analysis In Viet Nam, poverty has been reduced through increased productivity in agriculture. While PRSP's focus remains in rural areas/agriculture, and the modernization of agriculture, industrialization and urbanization are drawing attention as a means of effective poverty reduction.			

REPUBLIC OF BOLIVIA: Poverty Reduction Strategy Paper, March 2001

1. Overview Bolivia adopted a structural adjustment 15 years ago and strengthened its economic stability. In the 1990's, the economy grew by about 4% annually, but little progress has been made in the fight against poverty. The reduction of debt by participating in the HIPC Initiative freed resources for addressing poverty. The ultimate goal of the PRSP is to reduce poverty and strengthen human resources, with special attention given to the poor. It consists up of four pillars: (1) increased employment and income opportunities; (2) capacity building of the poor; (3) social stabilization; and (4) integration and inclusion of people and the promotion of grassroots participation.			
2. Key index			
Population	9 million	Life expectancy at birth	63.3
Surface area	1,099,000 km ²	Adult literacy rate (% of age 15 and above)	86.0
Gross Domestic Product per Capita (PPP US\$)	2,300	Primary education completion rate (%)	72
Aid dependency (% of central government expenditure)	34.2	Level of urbanization (% in 2000)	62.5
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Poverty, inequity, and social exclusion are recognized as the most severe issues threatening democracy and governance. Poverty is measured by income, consumption, and the level of deficiencies in households.	Economic growth is seen as the prerequisite but not a sufficient condition for poverty reduction. Moreover, the PRSP clearly states that the good of economic growth and progress in poverty reduction are interactive and dependent on each other.	
4. Cause of poverty/ poverty reduction interventions	Poverty is prevalent in rural areas. Approximately 80% of the rural population lives in poor conditions. Growing migration from rural to urban areas resulted in the increase of the urban poor (52% of the total population). The major determinants of urban poverty are limited access to income earning opportunities because of unemployment and underemployment. Rural poverty can be largely attributed to low productivity in agriculture, owing to lack of infrastructure, input, and equipment. Unfriendly markets for small farmers, limited access to markets, health services, water, and basic sanitation are more prevalent in rural areas. Migration reduces workforce and weakens the rural economy. The PRSP sees the common trend that young head-of-households and people who only speak the native language are more likely to be impoverished.	Priorities are given to actions focusing on increasing the income of the poor and investment in human resources. Within this framework, rural development will be promoted by intensifying infrastructure and securing landownership, the development of SMEs, the expansion of micro-financing, the provision of training opportunities, networking communities through road infrastructure, jobs creation, and primary education and health care with the provision of sanitation infrastructure. The construction and maintenance of rural roads aims to reduce transaction costs in marketing agricultural products, using local resources and labours, thereby encouraging SMEs.	
5. Key infrastructure/ priority	The necessity for rural road infrastructure and irrigation facilities is stressed. In relation to health care, the need for a safe water supply and sanitation are mentioned, given the fact that about 78 % of poor rural households have no access to safe water and 72 % lack sanitation services.	The construction and maintenance of rural infrastructure, i.e., roads, irrigation, electrification, telecommunications, basic sanitation, and strengthening the trunk road networks connecting Bolivia to Brazil, Peru, and Chile are the main focuses of the PRSP. The National Irrigation Plan is the primary policy in irrigation.	
6. Key Player	Decentralization has been strongly implemented with the budget transfer including HIPC resources. This shift of the power is supported by the promotion of civil participation.	Popular participation and empowerment are strongly stressed for effective poverty reduction. In relation to this, decentralization will be deepened. Preferential HIPC resource distribution to the poorest segments of the population, by using poverty indicators, will be continuously used.	
7. Analysis Unlike other PRSPs, privatization is not emphasized. One explanation for this could be that it reflects the public hatred for such initiatives, which is partly evident from the demonstration against the privatization of water supply in Cochabamba in 2000. The PRSP sees that migration is a way of addressing poverty by diversifying the economic base and reducing risk. Infrastructure intervention is focused on rural areas and the agricultural sector. The development of the trunk road networks is the only measure related to the international context, even though Bolivia is a landlocked country.			

CO-OPERATIVE REPUBLIC OF GUYANA: Poverty Reduction Strategy Paper, May 2002

1. Overview Recently, Guyana's economy has grown after a period of stagnation and recession. This growth accompanied the decline of the poverty incidence. The National Development Strategy (NDS) is the prime development strategy for Guyana with its 25-year horizon, developed using a participatory process. The PRSP was formulated based on the NDS and acts as the action plan of the NDS with priorities and links to a budget plan. The PRSP aims to achieve sustained economic growth with equal participation, universal access to social services, and expansion of social "safety nets." To attain these goals, the PRSP focuses on: (1) broad-based economic growth with job creation; (2) environment preservation; (3) capacity building and good governance; (4) human resource development with emphasis on basic education; (5) increased accessibility by infrastructure; (6) improved "safety nets;" and (7) special programs targeting excluded poor areas.			
2. Key index			
Population	0.8million	Life expectancy at birth	63.3
Surface area	215,000 Km2	Adult literacy rate (% of age 15 and above)	98.6
Gross Domestic Product per Capita (PPP US\$)	4,690	Primary education completion rate (%)	89
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	38.2
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Pervasive and persistent poverty is seen as the outcome of the low/negative economic growth. Guyana recognizes that poverty worsens the situation and it needs to be attacked to escape this vicious circle. Poverty is measured by income, consumption, and living standards.	Referring to previous experiences, the PRSP states that direct income redistribution through transfer is ineffective, but broad-based labour-intensive economic growth with a low inflation rate is the major factor for poverty reduction. Thus, Guyana sees the stimulation of economic growth as the most important element in poverty reduction policies.	
4. Cause of poverty/ poverty reduction interventions	A living condition survey conducted in 1999 indicated that population below poverty was 35% of the total, a 19% decrease from 1993. However, the improvement was largely seen in urban areas. The incidence of rural poverty is high, especially in the hinterland areas due to their remoteness and isolation. The rural poor are largely engaged in agriculture, whereas urban poverty is found in unemployed and construction workers. It showed that larger households with many dependents tend to be poor. The determinants of poverty are attributed to poor economic policies and performance, lack of capacity and a participatory system in governance, lack of productive infrastructure and proper maintenance, deteriorated social services especially public education and health care due to the reduced budget.	Guyana aims to stimulate the economy by concentrating on programs that generate employment and create a good business climate for private sector investment. The promotion of industrialization through the development of an export-oriented manufacturing sector, and the modernization of the traditional sector (sugar industry) and agriculture are the major policies to promote pro-poor growth while providing income earning opportunities for the poor. The Guyana Rice Development Board (GRDB) will be strengthened to conduct rice research to improve productivity and quality for export. The exploitation of natural/mineral resources and developing agro-processing industries, human resource development, especially the expansion of education and health care services, and the provision and maintenance of infrastructure are also prioritized.	
5. Key infrastructure/ priority	Infrastructure is seen as crucial for economic growth. Roads, sea defenses, drainage, irrigations, energy, water supply, telecommunications, port facilities are in bad condition, which hinders accelerating sustainable economic growth.	ICTs are to be developed to support growth. Port facilities are to be expanded to promote export not only from Guyana, but also from Brazil. Maintenance and rehabilitation of water facilities, rehabilitation/construction of sanitation, improvement and maintenance of road/river transportation, drainage and irrigation, and rural electrification are to be promoted.	
6. Key Player	Privatization has been promoted since 1989. The public administration has been highly centralized.	Decentralization of public services and community participation for infrastructure maintenance are stressed.	
7. Analysis Guyana puts emphasis on economic growth through industrialization and modernization. Within the context, non-agricultural industries seem to be given higher priority than agriculture. The PRSP expects that economic growth generates employment and provides the poor with income earning opportunities, thereby allowing rapid urbanization. Rural-market roads, irrigation, electrification, and the sea wall are directly targeting the poor.			

REPUBLIC OF HONDURAS: Poverty Reduction Strategy Paper, May 2002

1. Overview Although the per capita GDP growth remained low in 90's with an average of 0.5%, Honduras has made small but steady progress in improving social service coverage and The Human Development Indicator, by targeting budget allocation. The resources to implement programs of the PRSP, however, will heavily depend on the funds (75% of the total) that were freed by the HIPC Initiative in 2000. The main objective of the PRSP is to reduce poverty by economic growth, which will allow equal benefits and greater participation for the poor. The PRSP was formulated based on the following strategies, including: (1) the acceleration of sustainable economic growth with equity, (2) the reduction of rural and urban poverty, (3) the development of human capital, (5) the improvement of social protections for vulnerable people, and (6) sustainable commitment to anti-poverty strategies.			
2. Key index			
Population	7million	Life expectancy at birth	68.8
Surface area	112,000 Km2	Adult literacy rate (% of age 15 and above)	75.6
Gross Domestic Product per Capita (PPP US\$)	2,830	Primary education completion rate (%)	67
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	52.7
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Poverty and inequity have historical and structural origins that lay deep within Honduras' society. Honduras's PRSP acknowledges the inefficiency of inequity in poverty reduction by comparing it to other Latin American countries. Poverty is measured by the Unsatisfied Basic Needs methodology, income, and the Human Development Index.	Acknowledging the past performance of the economic growth and poverty reduction, of both Honduras and of other neighbour countries, higher economic growth with broad participation and distribution is the seen as the key factor for poverty reduction. The PRSP estimates between 4.5 and 5.5% of the annual economic growth is necessary for sustainable and effective poverty reduction. It aims to do so focusing on social expenditures with a long-term view, and the creation of income generating opportunities for the poor.	
4. Cause of poverty/ poverty reduction interventions	Poverty is more prevalent and severe in rural areas. Approximately 66% of households live below the poverty level, 59% of which are rural households. Poverty and a deteriorated living standard in rural areas contributed to the continuous outflow of migrants to cities and other more promising rural areas. The determinants of poverty are attributed to slow economic growth, limited access of the poor to income and economic activities, the low level of education attainment, low enrolment in secondary education, and low productivity, a small workforce participation rate, and the unsustainable use of natural resources. The PRSP found that poverty and environment degradation are closely linked, which draws attention to environmental protection.	Priorities are aimed at generating employment, developing human capital, and improving the distribution of income through increasing access of the poor to productive inputs and basic services. The development of agribusiness, natural resource products, light assembly, acceleration of logistic integration in Central America, and the inclusion of Honduras to global markets will be encouraged. In addressing rural poverty, improvement in land titling with equity concerns, measures to stimulate small-scale agribusinesses, linking rural areas to markets by improved infrastructure and market systems will be promoted. As regards urban poverty, measures to tackle unemployment and lack of basic services are given priority, which will include development of intermediate cities as regional growth poles, the provision/expansion of basic infrastructure, and support for SMEs.	
5. Key infrastructure/ priority	Irrigation is under utilized. Inadequate roads, electric power, telecommunications, ports, airports and water systems hinder from attracting private sector investment.	The improvement/expansion of irrigation, rural roads, rural electrification, and rural telecommunications, basic sanitation, water supply, and urban transport are mentioned.	
6. Key Player	Due to the undergoing decentralization, local municipalities and NGOs are becoming more responsible for infrastructure provision.	Decentralization, the participation of civil society in planning, the involvement of NGOs in the implementation of various projects will be further encouraged. The privatization of telecommunications, energy, and airports are to be promoted.	
7. Analysis An inadequate economic infrastructure to attract investments was explained in the poverty diagnosis, but won't be addressed due to budget limitations. Policy intervention to stimulate economic growth is focused on creating a good business climate. The PRSP focuses on rural development and capacity building, by which the poor gains better access to market and economic opportunities, and strengthens their capacity to help themselves.			

REPUBLIC OF NICARAGUA: A Strengthened Growth and Poverty Reduction Strategy, July 2001

<p>1. Overview The civil war in the 80's destroyed the economic foundation and the many assets that Nicaragua previously had. During the last two decades, Nicaragua's economy has been in the process of reconstruction, stabilizing society and adopting economic reform policies. In the late 90's, Nicaragua achieved broad-based economic growth led by agricultural sector and private sector, while reducing poverty especially in rural areas. The PRSP was prepared to participate in the HIPC Initiative. The PRSP rests on four pillars: (1) to achieve broad-based economic growth; (2) to strengthen development of the human capital with emphasis on the poor; (3) to provide physical/social protection to the vulnerable groups; and (4) to promote good governance and capacity building.</p>			
<p>2. Key index</p>			
Population	5million	Life expectancy at birth	69.1
Surface area	130,000 Km2	Adult literacy rate (% of age 15 and above)	66.8
Gross Domestic Product per Capita (PPP US\$)	2,450	Primary education completion rate (%)*	65
Aid dependency (% of central government expenditure)	84.7	Level of urbanization (% in 2000)	56.1
	Poverty diagnosis	Action to address poverty	
<p>3. Recognition of poverty, and its relation to economic growth</p>	<p>Poverty is seen to originate from structural factors and mistaken economic policies that are deeply rooted in its history. Thus, Nicaragua sees poverty as a major development target, and it will remain like this for several decades. Poverty is largely measured by the Living Standard Measurement Surveys (based on income, food, and other consumption levels).</p>	<p>Evidenced from the past performance of poverty reduction by agricultural-led growth and the expansion of the private sector, Nicaragua acknowledges that broad-based economic growth is the key element for effective poverty reduction. Nicaragua is committed to achieving the MDGs.</p>	
<p>4. Cause of poverty/ poverty reduction interventions</p>	<p>Poverty is wide spread, with a large segment of the poor living in rural areas where approximately 70% of the people are poor. The urban poor are also prevalent outside the capital city of Managua. Almost 30% of the urban residents are poor. The income disparity is one of the highest in the world. Poverty is attributed to the economic collapse in the 80's, low income and productivity, and limited access to economic opportunities and basic infrastructure and services. The majority of the poor are unemployed, followed by more widely spread underemployment, especially amongst women. The uncertain property right is identified by the poor as a major issue. Nicaragua's narrow economy is vulnerable to external shocks, such as a natural disaster and a price depreciation of the exportable goods (coffee and cotton). Indigenous habitants are the poorest.</p>	<p>The PRSP gives higher priorities to rural areas, not only because of the higher incidence of poverty, but also the potential for growth. As for ensuring broad-based economic growth, the PRSP differentiates approaches between urban areas and rural areas. The promotion of SME development is expected to drive the economy and poverty reduction. Agricultural expansion through efforts to improve productivity, increase non-farm employment, access to credits, and the provision of opportunities to improve agricultural technology and rural infrastructure are the key interventions for rural economic growth. The improvement of the coverage and the quality of public education, health care, and nutrition will be made in rural areas. The health care program aims to involve communities and parents for a wider impact. Measures to address vulnerable groups include specially targeted programs to provide them with incentives to participate in social services.</p>	
<p>5. Key infrastructure/ priority</p>	<p>The civil war in the 80's destroyed many trunk roads, which have not yet been repaired. Accessibility of the poor to safe water, electricity, sanitation, and roads is very small compared to the non-poor.</p>	<p>Rural infrastructure including telephone, electricity, and especially water services and roads will be expanded. Private sector investment in electricity generation, telecommunications infrastructure, and ports are expected to come into play.</p>	
<p>6. Key Player</p>	<p>Privatization has been put in place. High dependence on international donors reflects the shortage of domestic resources.</p>	<p>Decentralization and a bottom-up approach will be encouraged. The privatization of electricity, telephone, water, and port services are to be promoted.</p>	
<p>7. Analysis The PRSP states that growth comes from productivity gain in agriculture. Growth in agricultural export and non-farm employment is expected to expand. Thus, infrastructure intervention is focused on rural areas. Urban poverty tends to be addressed by the provision of social "safety nets" and of basic infrastructure (water supply and sanitation). The PRSP lacks clear strategies for the non-agricultural sectors.</p>			

REPUBLIC OF ALBANIA: National Strategy for Socio-Economic Development, Growth and Poverty Reduction Strategy (GPRS 2002-2004), Nov 2001

<p>1. Overview In the past, Albania has achieved high economic growth. However, economic inequality has been growing. The objectives of the PRSP are (1) to achieve 22-25% growth in real GDP between 2002 and 2004, (2) to reduce poverty, especially for people and areas in the worst situation, (3) to improve the access to infrastructure-related services, such as water supply, electricity, and sewage, (4) to reduce mortality rate and disease incidence, and (5) to improve the enrolment rate of primary and secondary education.</p>			
<p>2. Key index</p>			
Population	3 million	Life expectancy at birth	73.4
Surface area	29,000 km ²	Adult literacy rate (% of age 15 and above)	85.3
Gross Domestic Product per Capita (PPP US\$)	3,680	Primary education completion rate (%)	N/A
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	41.6
	Poverty diagnosis	Action to address poverty	
<p>3. Recognition of poverty, and its relation to economic growth</p>	<p>Poverty is recognized as an outcome of many factors, such as the past economic system, the social instability and regional wars, and the distorted implementation of economic reforms. Poverty is measured in living conditions, health and educational indicators, risk, exclusion, and income level.</p>	<p>Albania considers growth to be the main tool for improving living conditions and promoting poverty reduction. The PRSP focuses on achieving inclusive economic growth by increasing the access of the poor to social services and infrastructure. The participation of the poor in decision-making and social protections of the poor are deemed to be indispensable to do so.</p>	
<p>4. Cause of poverty/ poverty reduction interventions</p>	<p>Income inequality is very high compared to neighbouring countries; the Gini coefficient was 0.43 in 1998. An official living condition survey in 1998 revealed that people with less than \$2/day accounted for 46.6% of the total population. Poverty is related to low education levels and is prevalent in rural areas. Four out of five poor people live in the remote/rural areas. Unemployment is highly correlated to poverty, but even employed people in rural areas have a six times higher chance to be poor as compared to urban areas. Rural poverty is largely attributed to low productivity in agriculture. Damaged infrastructure due to the lack of unsmooth transition in agricultural reform, an insufficient level of mechanization, small farming land for farmers, and lack of access to market. The privatization of industrial enterprises entailed massive lay-offs, resulting in the increase of urban poverty.</p>	<p>To achieve a high rate of economic growth, the Government aims to promote the institutionalization of the market, attraction of FDI, agriculture and processing industry development. Prioritized sectors in order of precedence are health and education, infrastructure, governance, economic growth, social support, and macroeconomic stability. The expansion of access to quality of health care and education is seen as the fundamental factor for poverty reduction. Actions regarding education put emphasis on improving enrolment and expanding vocational education. Accessibility is the key factor to improve the participation rate of people in social services, thus the improvement of transport and roads especially in rural areas is deemed necessary. To promote European integration of Albania, the transport sector is given special importance. The creation of employment through public works and transfer programs is directly targeting the poor.</p>	
<p>5. Key infrastructure/ priority</p>	<p>Limited access to infrastructure and related services is seen as the major cause of poverty. Irrigation systems, drainage, water supply, have all deteriorated in the past transition period.</p>	<p>The energy sector will be liberalized while compensating the poor. The expansion of water and sewage systems, improvement of transport and the secondary urban and rural road networks, the extension of telecommunication services to rural areas, and the rehabilitation of irrigation and sewage are stressed.</p>	
<p>6. Key Player</p>	<p>The privatization of enterprises has been implemented at a rapid pace.</p>	<p>The privatization/decentralization of social services, the commercialization of infrastructure-related services, and the promotion of public participation will be further encouraged.</p>	
<p>7. Analysis Albania sees the need to promote its regional integration into the European community. Transport infrastructure is thus given high priority to facilitate the move in the framework of the "Stability Pact for Southeastern Europe." Improvement of infrastructure and of related services are considered to have direct impacts on improving the living standard as well as the nation's economic growth. The major economic development strategies in relation to infrastructure are agricultural-led growth, FDI promotion, and the diversification of the rural economy.</p>			

REPUBLIC OF ARMENIA: Poverty Reduction Strategy Paper, 2003

<p>1. Overview Since its independence in 1991, Armenia has initiated radical economic reforms. However, the disruption of former economic ties, thousands of refugees from Azerbaijan, and other destructive factors put Armenia in a difficult economic/social situation in the 90's. Between 1994 and 2001, Armenia achieved a high rate of economic growth at 6.68%/year. However, the gains from growth were concentrated in a small segment of the economy. The PRSP aims to reduce income poverty and human poverty (incidences of poverty related to education and health) through: (1) sustainable and high economic growth; (2) human development and the creation of employment; and (3) the provision of social protection.</p>			
<p>2. Key index</p>			
Population	3 million	Life expectancy at birth	72.1
Surface area	30,000 km ²	Adult literacy rate (% of age 15 and above)	98.5
Gross Domestic Product per Capita (PPP US\$)	2,650	Primary education completion rate (%)	N/A
Aid dependency (% of central government expenditure)	N/A	Level of urbanization (% in 2000)	70.0
	Poverty diagnosis	Action to address poverty	
<p>3. Recognition of poverty, and its relation to economic growth</p>	<p>The PRSP recognizes that poverty hampers development efforts, establishment of civil society, and ultimately undermines the social security. Poverty is measured by food and consumption levels, but another indicator, the Poverty Assessment Indicators System, will be developed for PRSP monitoring.</p>	<p>The PRSP recognizes that sustainable and high economic growth as the important precondition for poverty reduction. Committed to achieve the Millennium Development Goals (MDGs), Armenia plans to halve the poverty rate by 2015. To do so, high growth in employment income and social transfer to the poor are considered necessary.</p>	
<p>4. Cause of poverty/ poverty reduction interventions</p>	<p>Despite the past economic growth, people living in poverty account for around half of the total population. The income inequality is one of the highest in the world, persistently higher than 0.5. Poverty is highly correlated to family size (the larger, especially with kids, the poorer), the level of education, lack of vocational education, employment status and income level, vulnerable social status (refugees), and dependent level on pensions. Rural poverty is attributed to low productivity in agriculture, the small size of land parcels, limited access to credits and market. Agriculture offers 44.4% of the total employment. The incidence of rural poverty is lower than the national average, which owes to the self-sufficiency of the rural economy. However, inequity is higher because benefits from agricultural sales are unequally distributed.</p>	<p>To attain sustainable and high economic growth and improve measures for social protection, Armenia will create more employment opportunities, encourage small businesses, improve governance, better target social transfer, strengthen taxation, increase financial support (i.e., micro-credit), and improve the quality/coverage of health care and the education enrolment rate, especially in higher grades and vocational education. Public investment programs that address poverty and inequality will be implemented to directly benefit the poor through infrastructure-related public works. Increasing productivity in agriculture is the main factor for addressing rural poverty. To do so, the PRSP aims to develop a finance/insurance institution for agriculture, markets both domestic and international, create circumstances for non-farm businesses in rural areas.</p>	
<p>5. Key infrastructure/ priority</p>	<p>Lack of centralized water supply, access to market by rural roads, and reduction of irrigated areas are mentioned as the factors for higher correlation to poverty incidence.</p>	<p>The construction and rehabilitation of rural roads to improve the efficiency of agriculture, the provision of better access to agricultural markets, the expansion of the water supply, and irrigation are to be implemented. The rehabilitation of the current electric facilities is considered necessary.</p>	
<p>6. Key Player</p>	<p>Except for the explanation of the PRSP process, there is no mention of the key players in the poverty diagnosis, which reflects the huge role of the Government in Armenia, in an unstable society.</p>	<p>The promotion of public participation in the decision-making process and social partnership is given special importance. Decentralization is given priority from the viewpoint of functional reforms in public administration.</p>	
<p>7. Analysis A unique finding in Armenian PRSP is that access to utilities is related to place of residence, rather than poverty incidence. It is worth mentioning that Armenia's PRSP is the rare case that points out the self-sufficiency of the rural economy, which would ease the condition of the poverty. The high level of inequality in rural areas seems to be related to the availability of income earning opportunities, besides the skewed distribution of benefits from the sale of agricultural products. Measures to address urban poverty are not found, which is contrastive to the case of rural poverty.</p>			

**REPUBLIC OF AZERBAIJAN: State Programme on Poverty Reduction and Economic Development
2003-2005, 2003**

<p>1. Overview Azerbaijan had gone through drastic social and economic changes after its independence in 1991. The separation movement of Nagorni Karabakh, which started in the late 80's laid social instability and promoted a degradation of people's living standards. Azerbaijan achieved both economic growth and the improvement of the living standards over the last years. The PRSP was formulated based on six strategic objectives: (1) to create an enabling environment for economic growth and income-generating opportunities; (2) to maintain macroeconomic stability; (3) to expand access to improved basic health and education services; (4) to improve infrastructure and related services, namely roads, utility services, communications, and irrigation; (5) to improve social protection targeting the most vulnerable groups; and (6) to improve living conditions and opportunities of the refugees and internally displaced people (IDP).</p>																			
<p>2. Key index</p> <table border="1"> <tr> <td>Population</td> <td>8 million</td> <td>Life expectancy at birth</td> <td>71.8</td> </tr> <tr> <td>Surface area</td> <td>87,000 km²</td> <td>Adult literacy rate (% of age 15 and above)</td> <td>97.0</td> </tr> <tr> <td>Gross Domestic Product per Capita (PPP US\$)</td> <td>3,090</td> <td>Primary education completion rate (%)</td> <td>100</td> </tr> <tr> <td>Aid dependency (% of central government expenditure)</td> <td>16.4</td> <td>Level of urbanization (% in 2000)</td> <td>57.3</td> </tr> </table>				Population	8 million	Life expectancy at birth	71.8	Surface area	87,000 km ²	Adult literacy rate (% of age 15 and above)	97.0	Gross Domestic Product per Capita (PPP US\$)	3,090	Primary education completion rate (%)	100	Aid dependency (% of central government expenditure)	16.4	Level of urbanization (% in 2000)	57.3
Population	8 million	Life expectancy at birth	71.8																
Surface area	87,000 km ²	Adult literacy rate (% of age 15 and above)	97.0																
Gross Domestic Product per Capita (PPP US\$)	3,090	Primary education completion rate (%)	100																
Aid dependency (% of central government expenditure)	16.4	Level of urbanization (% in 2000)	57.3																
	Poverty diagnosis		Action to address poverty																
<p>3. Recognition of poverty, and its relation to economic growth</p>	<p>Poverty reduction is recognized as a global challenge. Other than that, there is no clear mentioning of how Azerbaijan perceives poverty. The State Statistics Committee of Azerbaijan (SSC) established a new household budget survey in 2001, enabling poverty to be measured in absolute terms, namely income and consumption level.</p>		<p>Although Azerbaijan has experienced economic growth while achieving improved living standard, the growth still left people poor. Thus, Azerbaijan sees the strong need to address the poor through social programs. The goal of economic growth is to ensure people's access to income-generating activities, while that of social programs is to ensure income re-distribution.</p>																
<p>4. Cause of poverty/ poverty reduction interventions</p>	<p>Approximately 49% of the total population lives in poverty, 60% of which live in urban areas. Baku, the nation's capital, holds the largest segment of the poor. Urban poverty is attributed to the high unemployment rate, mainly due to lack of opportunities but not skills, and lack of access to land and home produce, which can be consumed there, preventing rural inhabitants from falling into poverty. However, in rural areas, access to social and utility services is less satisfactory. Large households, refugees/IDPs, children, females, and the elderly are more likely to be poor.</p>		<p>Faced with budgetary limitation, the social policy, which is one of the pillars of the PRSP, needs reform to achieve a better-targeted, cost-effective system of social protection. The impact of social policy on poverty reduction is, however, considered less compared to that of economic growth. The PRSP aims to stimulate the private sector, especially SMEs, and the non-oil sector for subsequent job creation in these areas. Agricultural development is the key element in this regard. Integrated rural development is the larger framework, ensuring the sustainable use of natural resources and encompassing infrastructure and non-agricultural development. The National Food Security Policy Framework and Programme of March 2001 is the exclusive strategy for rural development.</p>																
<p>5. Key infrastructure/ priority</p>	<p>Gas, electricity and water supplies are unreliable, and the quality of the transport infrastructure remains poor. This is a serious impediment to both economic development and the quality of living. Lack of reliable power supplies outside the capital region limits private sector investment and job creation opportunities.</p>		<p>The improvements of transport infrastructure, such as the rehabilitation of roads, railways and ports, and the construction of the Trans Caucasus Highways are aimed to enhance trade and economic opportunities. The improvement of the water supply, irrigation and drainage facilities are also included in projected capital works.</p>																
<p>6. Key Player</p>	<p>Privatization has been implemented and private sector participation in the economy has been increasingly active.</p>		<p>Decentralization and the empowerment of communities, collaboration with NGOs, and participation of civil society are encouraged. The process for the State to withdraw from commercial activities will be continued to attract foreign direct investment and to create jobs.</p>																
<p>7. Analysis The PRSP's economic strategy is the agricultural-led growth. A detailed policy is mentioned in the sectoral strategy. However, the focus of infrastructure is not on agriculture. Trunk road networks, not rural road networks, draw attention and are expected to give positive impacts not only on surrounding areas but also areas connected to these transport networks by tertiary roads.</p>																			

REPUBLIC OF GEORGIA: Economic Development and Poverty Reduction Program of Georgia, June 2003

<p>1. Overview Following the independence in 1992, Georgia's economy fell into crisis, losing traditional economic ties and markets, establishing the state agencies, previously non-existent, and going through civil wars. The economy has started recovering since the launch of an anti-crisis program with the support from the IMF and the World Bank in 1994. The PRSP sets the long-term development goals through 2015, containing a detailed program of three years perspective. The PRSP has two goals: to realize rapid and sustainable economic development and to reduce poverty. To do so, priorities have been given to: (1) promote good governance, (2) maintain macroeconomic stability, (3) improve the structural and institutional environment, (4) develop human capital, (5) manage social risks and improve social security, (6) accelerate the development of prioritized sectors, (7) improve/maintain natural environmental condition, (8) rehabilitate post-conflict zones, and (9) promote science intensive and information technologies.</p>			
<p>2. Key index</p>			
Population	5 million	Life expectancy at birth	73.4
Surface area	70,000 km ²	Adult literacy rate (% of age 15 and above)	100
Gross Domestic Product per Capita (PPP US\$)	2,560	Primary education completion rate (%)	90
Aid dependency (% of central government expenditure)	82.7	Level of urbanization (% in 2000)	60.7
	Poverty diagnosis	Action to address poverty	
<p>3. Recognition of poverty, and its relation to economic growth</p>	<p>Poverty is seen as a multidimensional phenomenon. The PRSP thinks that poverty and sustainable economic growth are interactive, meaning that poverty reduction facilitates sustainable economic growth and visa-versa. Poverty is measured by consumption level.</p>	<p>Georgia aims to attain the average growth rate of real GDP at 5-8% per annum, the reduction of both poverty from 52% to 20-25% and extreme poverty (14% of the total poverty to 4-5%) by 2015. Fast and sustainable economic development is seen as the key factor in poverty reduction.</p>	
<p>4. Cause of poverty/ poverty reduction interventions</p>	<p>Poverty is more severe and deeper in urban areas. Unemployment, a large number of families with many dependents, high dependence on pensions due to age or lack of capability to work, the internal displacement due to conflicts, and lack of education attainment and professional training are major factors causing people to fall into poverty. Urban poverty is attributed to an insufficient supply of food, whereas rural poverty is attributed to lack of access to financial resources, infrastructure, and social services. The rural poor are more vulnerable to external shocks, such as natural disasters or droughts, due to its high dependence on agriculture.</p>	<p>The development of prioritized sectors is the key element to achieve economic growth. The energy sector, transportation and communication, industry, tourism, and agriculture and the food industry are given priority to promote economic growth and job creation. Strategies employed are the reforms/privatization of the state-owned enterprises and management, the provision/rehabilitation of infrastructure, the improvement of access to credits, and the promotion of exports and agro-businesses.</p>	
<p>5. Key infrastructure/ priority</p>	<p>Trunk transportation network to facilitate regional integration is deemed necessary. Roads and irrigation in rural areas are in poor condition. ICTs draw attention to improve governance, investment climate, and entrepreneurs, due to its non-existence at present.</p>	<p>Infrastructure rehabilitation/improvements in energy generation and transportation, i.e., the rehabilitation of the marine transportation infrastructure, the privatization of the railway, and the restructuring and privatization of telecommunications infrastructure are mentioned. The Baku-Tbilisi-Ceyhan (BTC) oil pipeline and the Baku-Tbilisi-Erzurum (BTE) gas pipeline are given special importance. The rehabilitation of irrigation facilities also draws attention.</p>	
<p>6. Key Player</p>	<p>The private sector and citizen groups are still weak. The roles of the central/local government are not clearly defined yet. Public participation is at the introductory stage. Privatization has been processed but the condition for private sector development is yet to be achieved.</p>	<p>The decentralization of the public administration and public participation will be promoted. Privatization will be accelerated to promote industry development and the attraction of investments, especially foreign direct investment.</p>	
<p>7. Analysis Improving the management of the public sector and the business climate, privatization, and agricultural development are the key element to create jobs and improve efficiency and for subsequent economic growth. The linkage between economic growth and poverty reduction is not strong; economic growth is more focused and pursued.</p>			

THE KYRGYZ REPUBLIC: Comprehensive Development Framework of the Kyrgyz Republic, Expanding the Country's Capacities, National Poverty Reduction Strategy 2003-2005, 2003

<p>1. Overview In the past years, Kyrgyz achieved about a 5 % GDP annual growth, which was attained mainly as a result of increased output in agriculture and in service sectors, while reducing the poverty incidence. Kyrgyz's PRSP is designed to be the document of the first phase implementation of the Comprehensive Development Framework (CDF). The priorities of the CDF are: (1) to promote effective and transparent governance, (2) to build a fair society, (3) to realize sustainable economic growth, and (4) to reduce poverty. The mission of the PRSP is to expand the opportunities for people to have an adequate, equitable, and comfortable life, through human resource development, infrastructure improvement to ease regional disparities, economic structure reforms to generate employment in the service sector, and the building of an information society for better governance and participation.</p>																			
<p>2. Key index</p> <table border="1"> <tr> <td>Population</td> <td>5 million</td> <td>Life expectancy at birth</td> <td>68.1</td> </tr> <tr> <td>Surface area</td> <td>200,000 km²</td> <td>Adult literacy rate (% of age 15 and above)</td> <td>97.0</td> </tr> <tr> <td>Gross Domestic Product per Capita (PPP US\$)</td> <td>2,750</td> <td>Primary education completion rate (%)</td> <td>100</td> </tr> <tr> <td>Aid dependency (% of central government expenditure)</td> <td>69.5</td> <td>Level of urbanization (% in 2000)</td> <td>33.3</td> </tr> </table>				Population	5 million	Life expectancy at birth	68.1	Surface area	200,000 km ²	Adult literacy rate (% of age 15 and above)	97.0	Gross Domestic Product per Capita (PPP US\$)	2,750	Primary education completion rate (%)	100	Aid dependency (% of central government expenditure)	69.5	Level of urbanization (% in 2000)	33.3
Population	5 million	Life expectancy at birth	68.1																
Surface area	200,000 km ²	Adult literacy rate (% of age 15 and above)	97.0																
Gross Domestic Product per Capita (PPP US\$)	2,750	Primary education completion rate (%)	100																
Aid dependency (% of central government expenditure)	69.5	Level of urbanization (% in 2000)	33.3																
	Poverty diagnosis		Action to address poverty																
<p>3. Recognition of poverty, and its relation to economic growth</p>	<p>Poverty is seen as the cause of social, economic, and political vulnerability, thereby increasing social tension. Poverty reduction is thus an effort to maintain human dignity and remove an obstacle to the nation's development. The household survey provides data to assess poverty and based on which, poverty is chiefly defined by the average per capita expenditure.</p>		<p>High and stable economic growth is seen as the main source of poverty reduction. This will be achieved by maintaining macroeconomic stability, the increased productivity of the private sector, exports, and improved productivity in all domains.</p>																
<p>4. Cause of poverty/ poverty reduction interventions</p>	<p>In 2001, approximately 47.6% of the total population lived in poverty. This figure had dropped from 55.3% in 1999. About 41.2% of urban residents are poor compared to 51% of rural residents. Poverty incidence was improved between 1999 and 2001; a larger gain has been made in rural areas. Lack of opportunities is considered to be the main cause of poverty. Unemployed in rural areas intensifies migration to urban areas, increasing the number of unregistered employed, who lack access to health and education services. Access to infrastructure and utility services is related to poverty incidence. However, it is less significant in the case of rural areas where access to utilities is considerably low. Children account for 40% of the total population, 55% of which live in poverty.</p>		<p>The agricultural sector continues to be the main growth engine for pro-poor economic growth. The economic development strategy is export-oriented; the expansion of exports as well as domestic demand for domestic products will develop the above-mentioned sectors. The major economic development policies are: the creation of an investment climate capable of attracting foreign direct investment; the privatization of enterprises in the energy, telecommunications, oil/gas, air transport, and gold mining sectors; the development of infrastructure; the attraction of investments in the mining industry and in agriculture with an emphasis on the processing industry and trade; the stimulation of SMEs by developing credit opportunities; the promotion of tourism; and the creation of regional hubs to ease regional disparities.</p>																
<p>5. Key infrastructure/ priority</p>	<p>Transport remains an important area for economic growth. Road conditions remain extremely unsatisfactory due to unstable financing. The availability of telephones in rural/remote areas is low.</p>		<p>The maintenance of interstate/regional road networks is given attention. The rehabilitation/improvement of railroads and airports is an urgent task. The Government will focus on attracting investment in ICTs. Increasing Irrigated areas and improving energy management are also key elements.</p>																
<p>6. Key Player</p>	<p>Privatization/decentralization has been implemented. Yet, the condition for optimal decentralization has not been provided.</p>		<p>Privatization will be further implemented. Public participation and collaboration with NGOs will be encouraged along with the decentralization process.</p>																
<p>7. Analysis Kyrgyz aims to maximize its geographical position, expecting to function as a transport hub in Central Asia. Thus, infrastructure intervention places relative importance on a large-scale economic infrastructure, namely transportation such as the improvement of trunk road networks and airports. Issues mentioned in the energy sector are rehabilitation, tariff, and management, but not the expansion of the access to services.</p>																			

REPUBLIC OF TAJIKISTAN: Poverty Reduction Strategy Paper, June 2002

1. Overview Since its independence in 1991 from the former USSR, Tajikistan has gone through difficult times; the budget allocation from Moscow ended, which constituted approximately 40% of the national budget, and the civil war hampered the progress of economic reform. There are four elements that constitute the PRSP: (1) to accelerate labour-intensive, inclusive economic growth using export as the growth engine; (2) to improve access to basic social services; (3) to focus on supporting the poorest/vulnerable groups; and (4) to improve governance and social security.			
2. Key index			
Population	6million	Life expectancy at birth	68.3
Surface area	143,000 km ²	Adult literacy rate (% of age 15 and above)	99.3
Gross Domestic Product per Capita (PPP US\$)	1,170	Primary education completion rate (%)	95
Aid dependency (% of central government expenditure)	129.1	Level of urbanization (% in 2000)	27.5
	Poverty diagnosis	Action to address poverty	
3. Recognition of poverty, and its relation to economic growth	Poverty is a long-lived phenomenon in Tajikistan. The PRSP recognizes poverty as an outcome of an inadequate economic policy, which did not make the best use of the advantageous assets of the country. While the Government believes it to be valid to use a self-assessment method as the criterion for defining poverty, income and consumption measurement is widely used.	The main goal of the PRSP is to achieve economic growth while distributing the benefits of growth in an equitable manner, and to improve the living standard of the poor. An annual economic growth rate of about 6% or more is projected.	
4. Cause of poverty/ poverty reduction interventions	A self-assessment survey revealed that 60% of the total population consider themselves to be poor. The deterioration of the economy that occurred after the independence and subsequent social disorder led to growing inequity, unfavourable climate for investment, the reduction of domestic production, and the accumulation of foreign debt. Poverty incidence is more severe in rural areas. The vulnerability of Tajikistan's economic base (high dependence on cotton exports) needs to be addressed.	The source of economic growth is expected to come from increased agricultural productivity by undergoing reform of both institution and land. Increasing credit opportunities aims to encourage SMEs that are expected to play the leading role in generating employment and economic output. Prioritized sectors are: to ensure access to improved quality of education and health care; to improve social protection including social transfer and pensions; to develop agriculture and related industries such as processing businesses; to promote further privatization; to develop the labour force by offering training; to stimulate private sector-led growth in employment and economy, infrastructure provision; and to promote environmental protection and tourism.	
5. Key infrastructure/ priority	Potential resources for energy are under-utilized. The shortfall of domestic demand for energy is covered by imports. Transport infrastructure, especially roads, and related services do not match economic and social demand. The availability of telecommunications remains low. Water, sewage, and heat supply are not reliable. Overall, the rehabilitation and improvement of the infrastructure related services are deemed to be urgent tasks. Irrigation facilities are important in unfavourable weather conditions.	The priority of infrastructure policy is given to provide reliable and affordable access to public services in energy, transport, information and communication, and potable water. Reliability is considered important in urban areas while the focus in rural areas is to provide basic access to services. In transport, the rehabilitation and maintenance of the trunk road networks and the establishment of feeder road networks is planned. The improvement/maintenance of irrigation systems is addressed in agricultural development.	
6. Key Player	The privatization of state-owned enterprises (SOEs) has been intensively implemented.	The privatization of the SOEs, the introduction of the self-sustained management of infrastructure services, decentralization, and public participation in decision-making will be further promoted.	
7. Analysis Even though Tajikistan acknowledges the drawbacks of a mono-cultural economy, agricultural development aims to achieve a gain in productivity, rather than diversification of products. In infrastructure development, the transition from a planned to a market-oriented economy seems to be persistently challenging. Keeping balance between the efforts to 'get the price right' by privatization and tariff reform and to ensure affordability of these services is a major issue.			

ANNEX 2: SUMMARY FINDINGS OF THE PRSP BY REGION

	Africa & Middle East	Asia	Latin America	Europe & Central Asia
Countries with poverty concentration in RURAL ⁴ areas	Benin, Burkina Faso, Cameroon, Chad, Ethiopia, Ghana, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Senegal, Tanzania, Uganda, Yemen, Zambia	Cambodia, Nepal, Sri Lanka, Viet Nam	Guyana, Honduras, Nicaragua	Albania, Kyrgyz Republic, Tajikistan
Countries with poverty concentration in URBAN ¹ areas		Mongolia	Bolivia	Armenia, Azerbaijan, Georgia
Primary economic development strategy	Agriculture development-led growth	Creation of the foundation for the private sector-led growth	Rural/agricultural development & stimulation of the private sector-led growth	Institutionalisation of market to create the foundation for the private sector-led growth
Infrastructure interventions ⁵	Focused on rural/agricultural development	Focused on facilitation of the private sector-led growth.	Focused on rural/agricultural development and social infrastructures in urban areas	Focused on facilitation of the private sector-led growth
Trends in service delivery	Extensive participation of the private sector, grassroots organisations, NGOs, and communities	Extensive participation of the private sector, grassroots organisations, NGOs, and local communities. Government participation is increasingly reduced except for Viet Nam.	Extensive participation of the private sector, grassroots organisations, NGOs, and communities	Partnership between government, citizens, and private sector participation (mainly through privatisation)

⁴ Spatial concentration of poverty is mentioned in every PRSPs.

⁵ This study mainly focuses on infrastructure interventions that promote pro-poor growth. Therefore, it only touches on issues such as access to water and sanitation as these interventions are often described in the social sector of PRSPs.

ANNEX 3: EXAMPLES OF UNIQUE PRO-POOR GROWTH STRATEGIES IN PRSPS

Uganda's Poverty Action Fund – A progressive example of promoting citizen participation: The Poverty Action Fund (PAF) in Uganda is one of the most progressive examples of promoting citizen participation. A portion of the budget is freed from debt repayment under the HIPC Debt Relief Initiative. These funds can be used only for programmes for poverty reduction including infrastructure provision, i.e., water supply, sanitation, and the maintenance of rural roads. The budget allocation is determined through a consultation process between the government and the public. The implementation of the PAF programmes accompanies stringent monitoring by civil society. Local governments are the responsible authorities for the allocation of the PAF with the support of a bottom-up setting of priorities through community participation.

Yemen's approach in overcoming the scarcity of water resources in inland rural areas is unique in Africa and Middle Eastern countries. While many countries in the region acknowledge that water scarcity is a major problem. Yemen's PRSP explicitly mentions the necessity of internal migration in order to alleviate poverty and to address this issue. It considers that, in the long term, it would be too costly to retain increasing population in the agriculture sector and inland rural areas where the water resources are scarce. It thus recognises the greater role of non-agricultural sectors for economic growth. The PRSP sees the need for creating new growth poles along coastal regions by intensifying tourism and trade-related infrastructures, including electricity, telecommunications, and road networks, thereby promoting the establishment of new economic activities.

Sri Lanka's PRSP sees a greater role for urbanisation as a powerful engine to promote poverty alleviation, which is not a common approach in PRSPs. The PRSP encourages pro-poor urbanisation by

- Promoting industrialisation in areas of clear competitive advantage;
- Fostering new inroads in service sector industries, coupled with tourism;
- Improving urban amenities, strengthening property rights, and providing more land for low-income urban housing development;
- Promoting greater private participation in urban water supply schemes to broaden access;
- Fostering community-based development of water distribution and sanitation services in poor urban as well as rural areas; and
- Expanding local government capacity and finance to manage urban infrastructure and service delivery.

Bolivia has seen a significant reduction in the rate of poverty in the 1990s, largely owing to urbanisation by rural-to-urban migration and growth in such sectors as manufacturing, construction, and trade, which achieved higher annual growth rate than the agricultural sector. However, recent stagnation in the economy reduced demand for unskilled labour and increased unemployment in urban areas. Faced with the growing pace of rural-to-urban migration, the Bolivian PRSP acknowledges the difficulties to combat urban poverty, lacking the robust engine for economic growth and effective means of solving unemployment problems.