

Donors and childhood poverty in sub-Saharan Africa:

Approaches and aid mechanisms in Ghana and Tanzania

Jenni Marshall
with
Esther Ofei-Aboagye

CHIP

Childhood Poverty Research and Policy Centre

Donors and childhood poverty in sub-Saharan Africa:

Approaches and aid mechanisms in Ghana and Tanzania

Jenni Marshall
with
Esther Ofei-Aboagye

Preface

This paper is one of a series of working papers, reports and policy briefings on different aspects of childhood poverty published by the Childhood Poverty Research and Policy Centre (CHIP). CHIP is a collaborative research and policy initiative involving academic institutions and Save the Children in UK, China, India, Kyrgyzstan, Mongolia, Tanzania and Ghana. It aims to:

- Deepen understanding of the main causes of childhood poverty and poverty cycles, and increase knowledge of effective strategies to tackle it in different contexts;
- Inform effective policy to end childhood poverty, ensuring that research findings are widely communicated to policy-makers, practitioners and advocates;
- Raise the profile of childhood poverty issues and increase the urgency of tackling them through anti-poverty policy and action;
- Work globally to tackle chronic and childhood poverty in developing and transition countries.

Together with a paper on Kyrgyzstan and Mongolia and an international synthesis, this paper forms part of CHIP's global programme of research on donor approaches to childhood poverty.

Financial support from the Chronic Poverty Research Centre, the UK Department for International Development - DFID - (grant no. R8005), Save the Children (UK) and International Save the Children Alliance has made this publication possible and is gratefully acknowledged.

For further information and to download all our publications, visit www.childhoodpoverty.org.

Acknowledgements

Primary research in Ghana was carried out by Esther Ofei-Aboagye¹ with substantial additional material provided by Vitus Azeem². In Tanzania, research was carried out by Jenni Marshall and material on aid harmonisation was provided by Philip Courtenage. Zeytuna Azasoo and Martine Billanou, from Save the Children UK in Ghana and Tanzania respectively, Caroline Harper and Rachel Marcus from CHIP/Save the Children UK, and Regina Keith from Save the Children UK provided useful comments and additions. We would like to thank everyone who took part in the interviews (see Appendix 1) for their information and insights. The paper was edited by Colette Solomon and copy-edited by Samantha Pearce.

The views in this paper are those of the authors and do not necessarily represent those of CPRC, DFID or Save the Children.

1 Ms Esther Ofei-Aboagye is the Director of the Institute of Local Government Studies, Accra, Ghana.

2 Mr Vitus Azeem is the Programme Coordinator of the Centre for Budget Advocacy of ISODEC, Ghana.

List of Acronyms

AfDB	African Development Bank
BS	Budget Support
CAS	Country Assistance Strategy
CCA	Common Country Assessment
CDF	Comprehensive Development Framework
CIDA	Canadian International Development Agency
CRC	Convention on the Rights of the Child (United Nations)
DAC	Development Assistance Committee (of OECD)
DANIDA	Danish International Development Agency
DFID	Department for International Development (UK Government)
ESAF	Enhanced Structural Adjustment Facility (IMF)
EU/EC	European Union/European Commission
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
GoG	Government of Ghana
GPRS	Ghana Poverty Reduction Strategy
GTZ	German Agency for Technical Cooperation
HIPC	Highly Indebted Poor Country
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFI	International Finance Institution
ILO-IPEC	International Labour Organisation's International Programme to Eliminate the Worst Forms of Child Labour
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
MCDWAC	Ministry of Community Development, Women's Affairs and Children (Tanzania)
MDB	Multilateral Development Bank

MDBS	Multi Donor Budget Support
MDG	Millennium Development Goal
MOWAC	Ministry of Women and Children's Affairs (Ghana)
MSWLY	Ministry of Social Welfare, Labour and Youth (Tanzania)
MTBF/MTEF	Medium Term Budget Framework/Medium Term Expenditure Framework
NDPC	National Development Planning Commission (Ghana)
(I)NGO	(International) Non Governmental Organisation
NORAD	Norwegian Agency for Development Co-operation
NPEP	National Poverty Eradication Plan (Tanzania)
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PAF	Performance Assessment Framework (for Poverty Monitoring System, Tanzania)
PER	Public Expenditure Review
PMS	Poverty Monitoring System
PRGF	Poverty Reduction Growth Facility
PRSC	Poverty Reduction Support Credit
PRS(P)	Poverty Reduction Strategy (Paper)
PSIA	Poverty and Social Impact Assessment
SC UK	Save the Children UK
SIDA	Swedish International Development Agency
SWAp	Sector Wide Approach
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
URT	United Republic of Tanzania
USAID	United States Agency for International Development
VPO	Vice President's Office
WHO	World Health Organisation

Contents

Preface	ii
List of Acronyms	iv
Executive Summary	i
1. Introduction	6
1.1 The importance of aid	7
1.2 Why childhood poverty should be on everyone's agenda	7
1.3 Methodology and structure of the report	8
1.3.1 <i>Study uses and outline</i>	10
2. The context for childhood poverty reduction: the aid and policy environments in Ghana and Tanzania	11
2.1 Aid and the major donors	11
2.1.1 <i>Aid flows overall</i>	11
2.1.2 <i>Aid from individual donors: the trends</i>	12
2.2 The national contexts: anti-poverty policy and action	15
2.2.1 <i>Poverty-focused development in Tanzania</i>	15
2.2.2 <i>Anti-poverty policy in Ghana</i>	15
2.2.3 <i>Poverty Reduction Strategies, poverty monitoring and the MDGs</i>	16
2.2.4 <i>Donor commitment to poverty reduction and the PRS in Ghana and Tanzania</i>	18
2.3 Policy for children in poverty	19
2.3.1 <i>Children in the PRS</i>	19
2.3.2 <i>Other national policy frameworks for marginalised children</i>	22
2.3.3 <i>Keeping children on the agenda: the institutional set up</i>	22
3. 'We don't do child poverty': Donor prioritisation of and approaches to tackling childhood poverty	25
3.1 Donor recognition of the need to prioritise poverty affecting children	25
3.2 Why the resistance to giving children a first call on resources?	27
3.3 Donor approaches to childhood poverty	28
3.3.1 <i>A human development approach to children in poverty</i>	29

3.3.2	<i>Children in poverty as a special, vulnerable group</i>	30
3.3.3	<i>Childhood poverty is strongly linked to family/broader poverty</i>	31
3.3.4	<i>Childhood poverty, the environment and HIV/AIDS</i>	32
3.3.5	<i>A children's rights based approach?</i>	33
3.4	Does aid in Tanzania and Ghana tackle poverty affecting children?	33
3.4.1	<i>A meaningful assessment of aid allocation for children?</i>	33
3.4.2	<i>Donor activity that should tackle childhood poverty</i>	35
4.	Donors and aid mechanisms for tackling childhood poverty: progress with aid effectiveness in Ghana and Tanzania	41
4.1	Poverty reduction budget support	43
4.1.1	<i>Budget support: rhetoric or reality?</i>	43
4.1.2	<i>Budget support: who is promoting its use?</i>	45
4.1.3	<i>Budget support: strengthening national systems?</i>	47
4.1.4	<i>Budget support's systemic effects: increased reliability of aid?</i>	48
4.1.5	<i>Responding to locally identified priorities: the problem of conditionality</i>	49
4.1.6	<i>Responding to children's priorities: marginalising the marginalised?</i>	51
4.1.7	<i>Budget support: reaching poor children?</i>	53
4.2	Sector wide approaches	56
4.2.1	<i>Donor support for SWAps</i>	56
4.2.2	<i>SWAps: strengthening sector capacity for tackling poverty affecting children</i>	58
4.2.3	<i>SWAps: financing pro-poor policy and pro-child work?</i>	59
4.3	Projects and vertical funds	60
4.3.1	<i>Is just a better way of doing projects required?</i>	61
4.3.2	<i>A note on recent initiatives – vertical funds and the Millennium Challenge Account</i>	62
4.4	Donor co-ordination more broadly - scope for donors to influence donors?	63
4.5	Channelling aid through NGOs in the current environment	64

5. Conclusions and Recommendations: making aid to Ghana and Tanzania more effective for children in poverty	66
5.1 Donor support for tackling childhood poverty	66
5.2 Donors, aid instruments and childhood poverty	68
6. References	71
Appendix 1 Donors interviewed for the study	80
Appendix 2 Aid flow trends to Ghana and Tanzania (OECD DAC/GEO, 2003)	84
Appendix 3 Making aid more child-focussed: a framework	85
Tables	
Table 1 Key data on children's wellbeing in Ghana and Tanzania	9
Table 2 Top 10 donors of gross ODA 1999-2002 in USD million*	13
Table 3 Tanzania: Donor involvement in sectors and activities	36
Table 4 Ghana: Donor involvement in sectors and activities	38
Table 5 The choice of aid modalities: characteristics of the main aid forms	42
Table 6 Ghana: Medium-term expenditure framework 2002-2006 total receipts (billions of Cedis)	45
Table 7 Is budget support effective for tackling childhood poverty in Ghana and Tanzania?	55
Table 8 Are sector wide approaches effective for tackling childhood poverty in Ghana and Tanzania?	60
Table 9 Are projects effective for tackling childhood poverty in Ghana and Tanzania?	62
Boxes	
Box 1 Children in the existing PRS in Tanzania	19
Box 2 Children in the Ghanaian PRS	21
Box 3 Aid effectiveness, harmonisation and modalities	42
Box 4 'New' general budget support	44
Box 5 SWAps and sector programmes, sector budget support, sector expenditure programmes and sector investment programmes - any difference?	57
Box 6 Some recent 'big' initiatives in aid	63

Executive Summary

There is an urgent need to tackle childhood poverty in sub-Saharan Africa in order to break poverty cycles and to realise children's rights. National governments, civil society and individual citizens, the private sector, and international donors all have a role to play in tackling poverty affecting children and young people. This study focuses on the particular role of donors in Ghana and Tanzania, where aid plays an important role in the national economy and where donors exert significant influence over policy choices and areas of investment. The study examines how selected donors³ approach poverty affecting children, and how they use their aid to tackle it through support to particular activities and through the aid instruments.

Childhood poverty in Ghana and Tanzania

Significant numbers of children in both Ghana and Tanzania lack access to the vital resources that would enable them to fulfil their potential. For many indicators including child health, education and malnutrition the situation is concerning, for some indicators, such as child mortality in Tanzania, the situation has declined since 1990, and the impact of the HIV/AIDS pandemic, particularly widespread in Tanzania, is far-reaching. There is considerable evidence that poverty in childhood can have long-term negative effects. Action to address childhood poverty breaks poverty cycles. The MDGs will not be met without such action. Donors, amongst others, need to recognise that investment in childhood is a strategic investment for broader poverty reduction as well as a moral obligation.

Aid for poverty reduction

With recent good governance records, Ghana and Tanzania have benefited from moves by some donors towards selectivity and from donor confidence in their budgeting and accountability systems: both have received increasing amounts of aid in the last few years, significant amounts of which are channelled as budget support. Most donor assistance in both countries centres around the Poverty Reduction Strategy (PRS).

National PRS and government capacity for tackling childhood poverty

The current PRSs in both Ghana and Tanzania do recognise the importance of investment in social sectors and in human development, and target particular groups, such as so-called HIV/AIDS orphans and street children. However, there is still much progress to be made before

3 World Bank, UK (DFID), Japan (JICA), Sweden (SIDA), Denmark (DANIDA), Canada (CIDA), Germany (GTZ), Norway (NORAD), European Commission, UNICEF, ILO-IPEC and UNFPA.

the strategies address childhood poverty in a comprehensive and holistic way and before they are implemented effectively through budgets, sector and local authority plans and activities, and the co-ordinated activities of other actors.

Taking a holistic approach to childhood poverty reduction involves many ministries. However, the ministries with specific responsibility for children, which could play a key role in co-ordinating efforts, are, for a range of reasons, relatively weak and marginalised. They have not lobbied effectively for the need to link strong social policy with livelihood-promotion, wide-reaching measures to address vulnerability and the need to tackle some of the fundamental causes of childhood poverty such as certain economic policies, drought, governance and HIV/AIDS. Concerns are therefore raised about the implications for children of donors' desire to 'respond' to national priorities articulated through the PRSs.

Donor approaches to poverty affecting children and young people

Very few donors explicitly conceptualise and prioritise tackling poverty among children. With the exception of UNICEF and SIDA, the most common response from donor representatives was 'we don't do child poverty'. Even those with international policies on addressing the situation of children did not have a comprehensive country office policy on tackling childhood poverty, though all could link their portfolios of assistance to addressing the situation of children when asked.

Most take a human development approach to children, referring to their support for health and education programmes. Many see children as one of the 'special groups' vying for attention rather than a strategic investment. The increasing numbers of donor agencies supporting macro level work, such as governance reforms, and those supporting sector policies to promote growth, such as roads and energy, assume a 'trickle down' of benefits to the younger generation. Whilst not wanting to deny the importance of this less direct support, assessment by donors of the impact of their assistance on children was rare and their support to national capacity for analysis of the impact of policy change on children's lives still lacking.

The study does not analyse in detail different donors' portfolios of assistance, not least because of the principles of not earmarking aid when using general budget support, but it does identify particular gaps. The particular strategies for childhood poverty reduction that are largely overlooked by the donors considered in both Ghana and Tanzania include support for youth and

more holistic early child development. A tendency to consider vulnerable children in terms of special groups has led to a project-based approach to addressing their marginalisation and a lack of support for broader social protection measures.

Aid mechanisms and childhood poverty

The study considers the implications of the architecture of aid for reducing poverty affecting children, focusing in particular on two main instruments used by donors in Ghana and Tanzania: general budget support and sector wide approaches (SWAs). Throughout, the analysis considers the systemic effects of these aid mechanisms, whether they promote local, rather than donor, control over resources and policy choice, and whether they result in aid being targeted at sectors and activities that are more likely to reach children.

General, multi-donor, poverty-reduction-focused budget support is an increasingly important aid instrument, through which more than one-third of all aid is now channelled in Ghana and Tanzania. It constitutes a vitally needed shift in donor behaviour, towards aid disbursement that is more harmonised and aligned with national procedures and policy choices with a focus on poverty reduction and strengthening national systems for budgeting and accountability. Key concerns arising include:

- The reluctance of some donors to use budget support at all, and of others to give up control of aspects of their assistance such as the ability to track the impact of ‘their money’.
- The reliability of budget support disbursement, including the need for more predictable funding to support governments’ medium term expenditure reviews and recurrent cost support.
- The need for medium term expenditure frameworks to recognise that a critical threshold of recurrent costs is required to maintain and develop systems for effective service delivery.
- The lack of room for manoeuvre in national choice of policies funded by budget support, constrained by the number and content of conditions attached to the donor assistance.
- The co-ordination of donors around core International Finance Institution (IFI) conditionality, the macro-economic elements of which have had, at best, mixed results for poor people.
- The marginalisation of key ministries with responsibility for children in the strategy development and budget allocation processes.

- The assumption of, or at least lack of attention to, implementation capacity to ensure that budget support does reach the poorest and marginalised; this includes capacity in sectors and local government.

Sector wide approaches (SWAs) as an approach to supporting sector development rather than an aid modality, are growing in importance in both countries. Particularly in Tanzania, there is an over-reliance on the establishment of ‘basket funds’ through which donors channel their sector budget support. Donor influence is still great. There is still much progress to be made before SWAs are effective mechanisms for addressing childhood poverty and for radically changing donor-recipient relationships at a sector level.

The use of projects, the evolution of vertical funds and the channelling of aid through NGOs are also all considered.

Major recommendations

- **Prioritisation.** All donors need to better understand and recognise the urgent and strategic need to tackle childhood poverty.
- **Analysis and monitoring.** Donors should support the development of national capacity to analyse and monitor the changing situation of children in poverty and the resources reaching them.
- **Filling gaps.** Donors need to work with government and others to identify gaps in resourcing, the need for developing models of interventions that work and the opportunities for scaling up assistance to tackle childhood poverty.
- **Striking a balance.** Overall, donors need to strive to find a balance in their ways of working so that they promote national control of policy choice and resource allocation yet also recognise that the children of today cannot wait for capacity to be developed over time.
- **PRSPs.** Donors have their role to play in ensuring poverty cycles are broken by working with the government through PRS dialogue to promote a greater focus on social policy, a consideration of the impact of policies on children and other marginalised groups and a greater investment in childhood.
- **Harmonisation.** Increased harmonisation, alignment and donor co-ordination is vital for aid effectiveness. In this context, the use of general budget support is a critical medium- to long-term goal.

- **Reliability of aid.** To be effective at not undermining national systems, particularly when these systems increasingly support recurrent (eg salary) costs for health, education, water and social protection, aid must be more predictable.
- **Conditionality.** National control of policy making and resource allocation should be made a reality by minimising the number of conditions on aid and by separating poverty-reduction-focused budget support from IFI macro-economic conditions which are not subject to public scrutiny or assessed for their likely impact on marginalised children and adults.
- **SWAps.** The use of sector budget support to fund SWAps should be an important mechanism for supporting and strengthening sectors that are of particular importance for children. To be effective, SWAps must keep focused on both sector development and positive outcomes for children and their communities. Sector plans need to recognise the need for synergies and multi-sectoral work.
- **Projects.** Projects that channel aid to particular sub-sectors, programmes or activities, do not have to undermine national systems so long as they involve strong harmonisation and alignment efforts, and have clear time-frames. Projects need to be more strategic and focus on ensuring that the capacity of those working to tackle childhood poverty is strengthened and that assistance reaches children in the short to medium term. Projects should work within sector or broader development plans and their management structures need to be far more harmonised with government systems and procedures.
- **Support for civil society.** Recognising that targeting is still necessary for reaching the poorest and that a healthy civil society is important, support through NGOs should not be reduced, particularly support for organisations which get assistance to those hardest to reach and those working to bring their grassroots experience to the poverty policy table.

I. Introduction

It is simply unacceptable that in Africa today one child in 7 does not live to see his or her fifth birthday...At a time of unprecedented prosperity, rich countries should be increasing, not cutting, their aid budgets, reaching out, not turning their backs on Africa and its children...'
(James Wolfensohn, President of the World Bank, Feb 2002⁴)

The sub-Saharan African countries of Ghana and Tanzania are home to nearly 30 million children.⁵ The chances of either country meeting more than one, two or three of the Millennium Development Goals (MDGs), which encompass critical aspects of children's wellbeing, are slim, despite some progress.⁶ This study questions not only whether donors are increasing their budgets in order to reach children, but also what the implications are of the way in which aid is being allocated and disbursed. It considers how donors approach and prioritise the tackling of poverty affecting children and young people within their portfolios of development assistance.

Ghana and Tanzania are both geographically diverse, low-income countries that play important political and economic roles in their regions of West and East Africa respectively, and have many similarities in relation to development, aid and donor behaviour. Both countries are rewarded by international donors for being relatively stable, multi-party democracies amidst more troubled neighbours. Tanzania, in particular, the much larger of the two countries in terms of both population and area, is credited with having performed well by having improved and maintained macro-economic performance. In Ghana, donors appear to be a little more cautious in their view of Ghana's economic performance; performance has only recently improved again after macro-economic problems at the end of the 1990s. Domestic interest groups are more strongly resisting continued structural reform in Ghana than Tanzania, although both countries are heavily dependent on primary commodities and have suffered as prices fluctuate on the world market. Both are highly indebted poor countries (HIPCs), and both have now reached completion point for Enhanced HIPC debt relief.⁷ Each, therefore, has a Poverty Reduction Strategy Paper that plays an important role in medium-term planning and is a framework for development assistance. Aid flows are relatively high in both countries, with the same most important donors; moves towards aid harmonisation and co-ordination around the poverty reduction agenda are relatively advanced. The challenge in both countries, however, is to translate these developments into concrete improvements in the lives of children. This study explores the similarities and some of the differences between donor activity in the two nation states, drawing out themes that should also be of relevance to other countries following a similar trajectory.

4 World Bank, 2002.

5 In 2002, Ghana had 9.7 million children and Tanzania had 19.0 million.

6 See UNDP (2003) for an overview of MDGs and the progress made on reaching them, DFID 2002 for an assessment of Ghana's progress.

7 Completion point is reached once countries have passed 'decision point' based on a track record of good performance under IMF/World Bank supported programmes and then proved further good performance including implementation of their poverty reduction strategy for at least one year. At completion point, the full debt cancellation which was committed at decision point, plus, in principle some topped up relief as required, is provided. (Jubilee Research, 2004).

1.1 The importance of aid

For children in Tanzania and Ghana, aid matters. Tanzania received \$1.2 billion in overseas development assistance (ODA) in 2001, and in 2002 donor funding accounted for some 42 per cent of the government budget.⁸ Ghana, the smaller of the two countries, received \$652 million in 2001, and in 2002 aid constituted 26.6 per cent of total government receipts (UNDP, 2003; GoG, 2004). Both have national offices of the major international finance institutions, bilateral donors and UN agencies: for example, forty to fifty bilaterals, not to mention multilateral donors, operate in Tanzania (Waddington and Foster, 2003). Therefore, for better or worse, the way in which these donors prioritise their aid allocations and operate has an impact on the wellbeing of people of all ages. And, whether through conditionality on the use of aid, through formal and informal dialogue and technical assistance, or through developing models of good practice, there is no question that donors have exerted, and continue to exert, considerable influence over the countries' development agendas and national spending priorities. This donor influence could be a positive force for addressing poverty and improving children's wellbeing. This paper explores the potential of current patterns of aid to achieve these goals.

1.2 Why childhood poverty should be on everyone's agenda

Childhood poverty is poverty affecting children and young people; poverty experienced during childhood as a critical period for development, nurture and protection.⁹ Most recent estimates suggest that over one-third of the total population in both countries is under the national poverty line.¹⁰ In these contexts, poor children are not just a minority group. The younger generation aged up to 18 years comprises some 52 per cent of the population in Tanzania and 47 per cent in Ghana (UNICEF, 2004). Obviously, these children are not all poor, although unfortunately the numbers affected are not estimated by national poverty surveys. However, available figures highlight that many children in Tanzania and Ghana lack access to the vital resources that would enable them to fulfil their potential.

The figures outlined in Table 1 show the urgent need for action. While Ghana has a higher poverty headcount, its levels of human development are higher than Tanzania where although child health has declined since 1990, maternal mortality is very high, net enrolment is lower and HIV/AIDS rates are double that of Ghana. However, a considerable number of children in Ghana do not have access to basic needs, most of whom are likely to live in the northern regions,

8 ODA figures are net disbursements (UNDP, 2003); Joint Government-Donor meeting on Tanzania Assistance Strategy Implementation and Harmonisation, held on 20th August 2002, Philip Courtenage, personal communication, October 2002.

9 *Childhood Poverty: Some Questions answered for an overview of the issues* (Marshall, 2003) provides a discussion of childhood poverty.

10 Disparities within each country are large. For example, in Tanzania, poverty is more severe in rural areas compared to urban areas. Indeed, among the total poor population, the urban poor constitute about 13 per cent compared to 87 per cent in rural areas. Dar es Salaam has the lowest incidence of poverty (URT, 2003b).

given the disparity between geographical regions in the country.¹¹ These basic needs, particularly nutrition, education and healthcare have been identified as vital for breaking life-course and intergenerational cycles of poverty – ie for preventing poor children from growing up to be poor adults and then having poor children themselves (Harper, Marcus and Moore, 2002; Marcus, 2003).

Furthermore, NGOs, ILO-IPEC, UNICEF, key government officials and others voice their concerns in both countries about children who are particularly vulnerable to exploitation, abuse and hardship.

They highlight the numbers of working children and the harsh nature of the work in which they are involved, harmful traditional practices, the harsh conditions facing those living in unstable home environments or on the streets and the impact of the HIV/AIDS pandemic. Infection rates are high for the youth who also struggle with lack of access to continued education and employment. The implications of these circumstances for the future of individuals and the future development of the countries are serious; aid needs to be part of the solution.

1.3 Methodology and structure of the report

The study was carried out between 2002 and 2004, combining a review of donor documentation with interviews with key donor representatives, where possible those who represent their agency in anti-poverty policy/aid co-ordination fora and who have some influence over their agency's strategy in the country.¹² Additional views and information were sought from key government officials, NGO staff and others who reflected on donor activity and on specific issues such as aid co-ordination activities. The study also draws on recent literature on aid and donor behaviour. Primary research and early documentation review in Ghana were carried out by Esther Ofei-Aboagye, and in Tanzania by Jenni Marshall who compiled this synthesis.¹³ Donor agencies were selected to include a range of different sized agencies and different working approaches; but their inclusion was also practically determined by the availability of documentation and donors at the time of interviews. The World Bank, UK/DFID, the EU, Canada/CIDA, UNICEF and ILP-IPEC were included in both countries, with reference to documentation from DANIDA. Sweden/SIDA, Norway/NORAD and Japan/JICA were only interviewed in Tanzania; Germany/

11 In Ghana, poverty levels are highest in the three northern savannah regions: nine out of ten people in Upper East, eight out of ten in Upper West, and seven out of ten in Northern Region were classified as poor in 1999 (GoG, 2002).

12 It should be noted that phrases and terms used to capture poverty affecting children (childhood poverty, children in poverty, child poverty) can be confusing, and that many people still have difficulty articulating the broader poverty complex let alone adding another layer related to childhood or children. This paper uses 'poverty affecting children and young people' and 'childhood poverty' synonymously.

13 Thanks to Philip Courtenage, Vitus Azeem, Zeytuna Azasoo, Martine Billanou, Rachel Marcus, Regina Keith and Caroline Harper for extensive comments and input into drafts.

Table 1 Key data on children's wellbeing in Ghana and Tanzania

Indicator	Ghana	Tanzania
Child (under-5) mortality rate 2002	100 per 1000 live births	165 per 1000 live births
Reduction since 1990	21%	-1%
Infant (under-1) mortality rate 2002	57 per 1000 live births	104 per 1000 live births
Maternal mortality ratio adjusted 2000	540 per 100,000 live births	1500 per 100,000 live births
Net primary school enrolment/attendance (% 1996-2002)	58 %	47 %
Net enrolment ratio 1997-2000 by sex	57% female, 60% male	48% female, 46% male
Secondary school enrolment ratio 1997-2000 (gross)	33% female, 40% male	5% female, 6% male
Under-5 malnutrition: % underweight (moderate and severe) 1995-2002	25 %	29 %
Under-5 malnutrition: % stunted (moderate and severe) 1995-2002	26 %	44 %
% 1 year old children immunised against TB 2002	91%	88%
% 1 year old children immunised against polio3 2002	80%	91%
Number of children aged 0-14 living with HIV/AIDS end 2001	34,000	170,000
Adult HIV/AIDS prevalence rate (15-49 years), end 2001	3%	7.8%
% of population using improved drinking water sources 2000	73% (91% in urban areas, 62% in rural areas)	68% (90% in urban areas, 57% in rural areas)
Percentage of children aged 5 to 17 years engaged in economic work, 2000	Data not available	40%
Population under the national poverty lines NOTE: these are not directly comparable	40% under nutritional poverty line; 27% in extreme poverty 1998/9	18.7% below the food poverty line 2000/I; 35.7% under basic needs poverty line 2000/I

Source: UNICEF, 2004 (http://www.unicef.org/infobycountry/tanzania_statistics.html; http://www.unicef.org/infobycountry/ghana_statistics.html; URT, 2003; GoG, 2002, URT, 2001 e.

GTZ, UNFPA and the UN system were included in Ghana. The IMF is acknowledged to be important but is not covered in the study.

1.3.1 Study uses and outline

It is important to outline from the outset what this study is *not*. It is not an assessment of the total aid Ghana and Tanzania receive from all donors. It is not an impact assessment of past aid to Ghana and Tanzania. It is also not a quantitative assessment of the scale of donor commitments to tackling child poverty: the conceptual and practical difficulties of isolating the proportion of aid and public expenditure for tackling childhood poverty are discussed further in section 3.4. Rather, based on available documentation and discussions, the paper presents donor perceptions of poverty affecting children and then reflects on the relevance of the aid they provide for addressing childhood poverty and, particularly, the instruments that they use.¹⁴ It should inform a consideration of what makes aid more effective for children in poverty, considering the following aspects of aid effectiveness:

- whether, if aid is earmarked or targeted, it is targeted at sectors or activities that will benefit children in poverty.
- whether aid is responding to locally determined priorities for all, young and old. This includes whether aid mechanisms (or the policy and budgeting processes they are tied to) promote priorities relevant for children.
- whether key aid mechanisms and practices are having the *systemic effect* that could encourage, rather than undermine, the development of national capacity for sustained poverty reduction for all (White and Dijkstra, 2003).

Section 2 provides an overview of the aid and policy environments in Ghana and Tanzania, emphasising the importance of anti-poverty policy. Section 3 considers donors' conceptualisations of childhood poverty, and the agencies that identify and prioritise the issue for their assistance. It reflects on the challenges of assessing aid to children, particularly in the current aid environment and gives a general, approximate assessment of how their aid might be reaching children. The implications of the way in which donors provide assistance for childhood poverty reduction to the two countries are considered in section 4. Given the status of both Ghana and Tanzania as 'good' aid recipients, the focus is on the move in both countries towards more harmonised and co-ordinated aid through sector wide approaches and budget support. It concludes with recommendations for the sectors and activities that aid funds, as well as for the architecture of aid, outlining where improvements could be made to better tackle poverty affecting children and young people.

¹⁴ Readers who are also reading the case studies of Kyrgyzstan and Mongolia (Marcus and Marshall, 2004), will note that this other paper takes a more detailed look at the policies and programmes which donors support. Donors in Kyrgyzstan and Mongolia do not use general budget support, allowing a more detailed look at the policies supported and promoted by different donors in those countries.

2. The context for childhood poverty reduction: the aid and policy environments in Ghana and Tanzania

2.1 Aid and the major donors

2.1.1 Aid flows overall

Recognising the continued marginalisation of sub-Saharan Africa in the world economy and the increasing poverty endured by so many people, aid to Africa is at the forefront of international attention. The continent has been a priority issue for recent G8 summits, pledges for increases in aid were made in Monterrey in 2002¹⁵ and the Global Fund for Health targets malaria, TB and HIV/AIDS, all major health problems in sub-Saharan Africa. Aid flows to Ghana and Tanzania have increased over the past five years according to both OECD DAC statistics and in-country sources.¹⁶ However, the graphs in Appendix 2 illustrate a more complex past and differences between the two countries.

As a recipient of more aid than Ghana since the mid-1970s, Tanzania has attracted a relatively consistent increase in aid since the mid-1990s. There was a drop in aid in Tanzania during two periods of economic crisis that led to difficult relations with the international community, first in the early 1980s and then during the mid to late 1990s - when aid flows also declined world-wide.¹⁷ With the exception of 1995/96, this worldwide decline in aid levels in the 1990s is also evident in Ghana where donors clearly responded to the country's confident economic performance from the mid-1980s, then decreased aid in the late 1990s, while again displaying renewed confidence since the 2001 elections.

In 2002, flows to the two countries were more comparable, allowing for the fact that Tanzania's population is almost four times that of Ghana's. Net ODA constituted some 13.2 per cent of Tanzania's Gross National Income and 11.1 per cent of Ghana's, with net ODA per capita of \$35 and \$32.4 respectively. Ghana's net ODA increased from \$610 million in 1999 to \$652 million in 2002 and Tanzania's net ODA increased from \$990 in 1999 to \$1233.¹⁸ Many donors have more recently increased their allocations and indicated a willingness to make further increases.¹⁹

15 International Conference on Financing for Development, March 2002, Monterrey.

16 OECD DAC defines aid as concessional loans and grants to developing countries and territories from donor governments and their agencies that are developmental in intent and designed to promote economic welfare. DAC figures do not capture humanitarian aid, aid from bilaterals who are not members of DAC (eg Russia), or private developmental flows (such as through NGOs). For purposes of comparison, DAC numbers are mostly used in this paper. National statistics would be preferable to use but were unavailable at the time of research - the Ministries of Finance in both countries are developing comprehensive databases.

17 Development Initiatives (2002: 146) chart the fall in DAC aid in real terms from 1992 to a low in 1997.

18 Aid figures from OECD-DAC, 2003 and http://www.oecd.org/countrylist/0,2578,en_2649_34447_25602317_1_1_1_1,00.html downloaded April 2004.

19 Azeem, personal communication, Accra, 2004.

2.1.2 Aid from individual donors: the trends

As Table 2 shows, the World Bank, UK, and Netherlands are key donors to both countries, while Japan is of particular importance in Tanzania.

The most influential of the donors is generally perceived to be the World Bank. The World Bank's IDA concessional lending arm lends similar amounts to both countries: \$168 million to Ghana and \$174 million to Tanzania – proportionally more for Ghana. The World Bank is Ghana's top donor; there is a considerable gap between the size of the World Bank's IDA budget and that of the biggest bilaterals. These World Bank figures are for 2002 – a year before agreements for the Poverty Reduction Support Credits (PRSC) worth \$125 million in Ghana and \$132 million in Tanzania in 2003/4 (World Bank, 2003b; 2003c). Although not covered in this study, it is important to note that the IMF increased its lending to both countries for macro-economic reform (through what is now called its Poverty Reduction Growth Facility - PRGF). Tanzania's \$181.5 million first PRGF was agreed in April 2000 and Ghana's Enhanced Structural Adjustment Facility (ESAF) agreed in 1999 has been converted to their first PRGF; in both countries significant tranches of money were released in 2001 (IMF, 2000a; 2000b; 2001). The African Development Bank also increased its lending to Ghana from \$29 million to \$48 million in 2001/2 but does not feature as a major donor in OECD-DAC tables for Tanzania.

The overall share of bilateral aid is higher in Tanzania – 68 per cent in Tanzania versus 57 per cent in Ghana in 2002 – with the UK and Japan channelling much more aid to Tanzania than they do to Ghana. Japanese aid to Ghana, for example, is almost 5 times less than that to Tanzania. UK and Japan also channel a lot more aid to Tanzania than the other bilaterals. The UK's development assistance to Tanzania increased rapidly from \$155 million in 1999/2000 to \$222 million in 2000/1 and dropped only slightly to \$198 million in 2001/2. DFID's Country Assistance Plan 2003/4 outlines further increases planned to 2005/6 (DFID, 2003a). UK aid to Ghana also increased from \$89 million in 2000/1 to \$111 million in 2001/2. DFID in both countries is recognised by most sources to be one of the most influential donors in many arenas of national anti-poverty policy and sector development. Japan and its implementing agency JICA, on the other hand, are renowned and respected for their large budget, and social and economic infrastructure development project support. Japanese aid to both countries fell considerably between 2000/1 and 2001/2: by one-third in Tanzania and by more than a half in Ghana. This is likely to be due to changes in the Japanese economy.

*Table 2 Top ten donors of total gross ODA 1999-2002 in USD million**

Tanzania					Ghana			
Rank 2002	Donor	Total ODA (USD m) 2001-2 average	Total ODA (USD m) 2000-1 average	Total ODA (USD m) 1999-00 average	Rank 2002	Donor	Total ODA (USD m) 2001-2 average	Total ODA (USD m) 2000-1 average
1	UK	198	222	155	1	IDA (World Bank)	168	198
2	IDA (World Bank)	174	150	121	2	UK	111	89
3	Japan	167	250	170	3	Netherlands	106	73
4	Netherlands	107	86	76	4	SAF&ESAF (IMF)	68	51
5	EC	95	70	56	5	US	61	58
6	Denmark	69	68	75	6	African Devt Fund	48	29
7	Italy	67	-.**	55	7	Denmark	46	39
8	US	56	-.**	67	8	EC	41	26
9	Sweden	54	55	51	9	Japan	36	83
10	SAF&ESAF (IMF)	51	45	42	10	Germany	29	29
	Total given by top 10***	1038	-	-		Total given by top 10***	714	-

* Data not available for Ghana 1999-2000.

** Data not readily available as donor not in top 10 that year.

*** Overall total figures not available for gross ODA - only net.

Source: OECD DAC, 2003 International Development Statistics and OECD, World Bank in http://www.oecd.org/countrylist/0,2578,en_2649_34447_25602317_1_1_1_1,00.html accessed April 2004

The Netherlands provides both countries with similar and increasing amounts of aid: \$106 million to Ghana and \$107 million to Tanzania. The European Union's development assistance budgets to both countries have also increased significantly. Denmark plays a significant role in terms of aid allocation in both countries, as do the United States of America, African Development Fund (disbursed by the African Development Bank) and Germany in Ghana, and

Sweden and Italy in Tanzania. Norway and Germany also provided Tanzania with around \$40 million each in 2001 to 2002. Sweden and Denmark, bilaterals which both strongly support social development, allocated more aid to Tanzania than any other country in 2002; Tanzania ranked third as a recipient of British, Dutch and Norwegian aid. At the time of publication of this paper, Ghana was selected as eligible for Millennium Challenge Account (see section 4.3.2) and therefore qualifies for a significant increase in aid from the US.

Canada and the UN agencies do not disburse enough aid to register on the table above. Members of the UN system in particular are still influential players in both countries with close relationships with government. It should be noted that UN agencies such as UNICEF, are funded by other donors as well as through 'core' funding from the UN system. Some \$42.8 million of UNICEF Ghana's \$60 million budget for 2001 to 2005 comes from non-core funding (GoG/UNICEF, 2001).

HIPC debt relief makes an important contribution to aid flows to both countries. Tanzania reached completion point in late 2001, qualifying for \$3 billion debt relief over 20 years, of which just over 50 per cent comes from the multilateral creditors and just under 50 per cent from bilaterals and commercial creditors (Jubilee Research, 2001). Ghana reached completion point in mid 2004 and now receives full HIPC debt relief as agreed with the multilateral donors plus additional relief negotiated with the Paris Club²⁰ of bilateral creditors (Jubilee Research, 2003).

Finally, there is currently a debate regarding the case for increased aid. Ghana is considered by Harding (2003) to be able to absorb higher levels of inflows into key poverty-related sectors than in the past; however, Harding raises concerns about the country's ability to use the aid effectively and equitably. In Tanzania, a strong case for increasing aid is argued by Waddington and Foster (2003) who suggest that increases are likely to boost growth and could support sustained increases in public expenditure. This is disputed by many civil society organisations which are concerned that the increased aid has not translated into radical changes for the poor (NGO Policy Forum, 2004). Whether such increases will actually materialise in either country depends, however, on a range of factors operating in the recipient and donor countries. Certainly, national and donor sources interviewed during this study suggested that aid to both Ghana and Tanzania will continue to increase to 2006 at least.

Before considering how these aid volumes are allocated, the following section places donor activity within the national policy contexts. Given the influence of donors over the national

²⁰ The Paris Club is an informal group of bilateral creditors which aims to provide co-ordinated and sustainable solutions to the debt problems of the poorest countries (Paris Club, 2004).

policy environment, often tying governments to policy frameworks and processes through conditionality, the donor policy and national policy contexts are often blurred.

2.2 The national contexts: anti-poverty policy and action

2.2.1 Poverty-focused development in Tanzania

Since independence, Tanzania has battled against what the late Mwalimu Nyerere identified as the three enemies of development: ignorance, disease and poverty (URT, 1998a). Following the World Social Summit in 1995, the National Poverty Eradication Strategy (NPES) was formulated, resolving to reduce poverty by 50 per cent by 2010 and to eradicate it totally by 2025. Vision 2025 sets out the principles for achieving the vision of Tanzania becoming a middle-income country by 2025 (URT, 1998b). The NPES is the accepted longer-term development plan within which the PRS works. Neither the NPES nor Vision 2025 give any prominence to an analysis of childhood poverty, although the NPES does recognise that 'the current social and economic structural changes will negatively affect some societal groups such as the children', although it does not take it any further (URT, 1998a). The NPES was drawn up by the Poverty Eradication Division of the Vice President's Office (VPO) after an extensive consultative process (URT, 1998a). Strongly supported by UNDP, the VPO is responsible for co-ordinating the formulation and monitoring of anti-poverty policy, providing a secretariat to the PRS Steering Committee. The other key aid-related strategy, produced by the Ministry of Finance, is the Tanzania Assistance Strategy. This forms the basis for aid co-ordination efforts and:

'provides a national framework for improving aid co-ordination and enhancing national ownership of the development process in Tanzania. The TAS seeks to ensure that external resources are effectively managed and support national efforts to attain development objectives as articulated by Vision 2025, the National Poverty Eradication Strategy and the Poverty Reduction Strategy' (URT, 2003c, final draft: 5).

2.2.2 Anti-poverty policy in Ghana

Ghana also has a long-term framework, Vision 2020, that was developed in 1995 as a 25-year plan (GoG, 1997). However, the current government is not working according to it, as it is still in the process of developing a ten-year Social and Economic Policy Framework for the period

up to 2010. The National Development Planning Commission (NDPC), previously under the former Ministry of Economic Planning, and now responsible directly to the President, is responsible for anti-poverty planning, including this Framework and the PRSP. As with the VPO in Tanzania, the NDPC also houses the PRS technical committee.²¹

As a 'good performer' from the mid-1980s to the mid-1990s, Ghana was a World Bank Comprehensive Development Framework (CDF) pilot country because it had 'already demonstrated some of the key attributes that inspired the CDF – long-term, comprehensive vision for the economy, strong ownership, focus on results, and working with partners' (World Bank, 1999: 2) With Vision 2020 as its foundation, the CDF was an attempt 'to increase the impact of external resources on poverty reduction'.²² Progress was made in aid co-ordination, including the mini-Consultative Group system for government-donor dialogue.²³ Some donor organisation representatives were critical, however, considering the CDF to be too technical, general and with little impact felt in the country. It was, in the words of one respondent, 'overtaken by the GPRS, to many people's relief'.

2.2.3 Poverty Reduction Strategies, poverty monitoring and the MDGs

Both countries have finalised Poverty Reduction Strategy Papers (PRSPs). Tanzania's was completed in 2000 under President Mkapa, making it one of the first full PRSPs to be accepted by the World Bank, and the second iteration is currently under development.²⁴ The current strategy is promoted as the medium-term pro-poor planning instrument, linked with the Medium Term Expenditure Framework (MTEF) budgeting instrument, and focuses on macro-economic reforms and priority sectors: health, education, water, agriculture, rural roads, the judiciary and HIV/AIDS (URT, 2000). These priority areas were selected because of their strong links to poverty reduction, as identified through surveys and participatory assessment-based poverty analysis, as well as consultations, but most likely also for practical, government-led implementation purposes. The second version is likely to focus much more on pro-poor growth, including rural income poverty, and more on key outcomes and related activities than priority sectors.²⁵

21 Responsibility for implementation of development and anti-poverty policy rests with the Ministry of Finance and Economic Planning, Ministry of Regional Co-operation and NEPAD, and Ministries, Departments and Agencies (eg Ministry of Health).

22 <http://www.ghanacdf.org.gh/> accessed February 2004.

23 Ghana holds quarterly Mini-CG meetings in which donors, for example, pledge their support and raise concerns about policy direction and progress.

24 URT (2003a) outlines the process for this review.

25 Donor and NGO sources, Dar es Salaam, interviews, 2002; personal communication, 2004.

Meanwhile, Ghana's interim PRSP was agreed in 2000, but a change of government in 2001 and negotiations with the International Finance Institutions over policy content, delayed finalisation – of a different version – to 2003. The GPRS 2003/5, entitled 'An Agenda for Growth and Prosperity', focuses on growth, sustainable livelihoods, basic service provision, support for the vulnerable, good governance and active involvement of the private sector (GoG, 2002). Perhaps unsurprisingly, given its title, many civil society members and others, including, to a certain extent, the Joint Staff Assessment team from the WB/IMF, believe that it could do more to address poverty as well as wealth creation (IDA/IMF, 2003).

In both Ghana and Tanzania, as in other countries, the last three years can be characterised by:

- government-led improvements with regards to targeting, links with the budgeting process and implementation;
- increasingly organised engagement by (many, though by no means, all) civil society organisations (CSOs), based on concerns regarding the actual extent of the participatory nature of the process and the pro-poor content of the strategy – including its ability to tackle childhood poverty; and
- the increasing prioritisation of support for the strategy as a focus for ODA by the donor community, especially through budget support mechanisms with a related focus on government systems.

In both countries, PRS progress is reviewed annually as part of the Consultative Group meetings, the informal sessions of which are open to civil society representatives. These reviews are informed by now well-established sectoral and overall multi-stakeholder Public Expenditure Reviews that protect and monitor the priority areas. In Ghana, poverty expenditure on basic education, primary healthcare, poverty-focused agriculture, rural water, feeder roads and rural electrification in particular are tracked through the HIPC tracking instrument. The products of the extensive Poverty Monitoring System in Tanzania, and the Monitoring and Evaluation System in Ghana also inform the PRS reviews. The Tanzanian system, for example, was established to co-ordinate and analyse a range of data, drawing on the experiences and skills of a range of stakeholders for more effective, evidence based pro-poor planning and implementation (URT, 2001a) and produces the Annual Poverty and Human Development Report.

The MDGs are more visible in the Ghana documentation largely due to the later completion of its PRSP. However, in both countries, there appears to have been little debate on the strategies needed to actually achieve the longer-term goals (Billanou, Azeem and Azasoo, personal

communication, 2004). Many actors are hopeful that this will occur during the review process for the second iteration. Broader national ownership is also a key goal for the Government of Tanzania (URT, 2003a). Although both governments have worked hard on producing the relevant documents and setting up institutional frameworks, many continue to feel that the level of ownership of the clearly donor-driven PRS process as a whole is still marginal. The strategy has been seen as more important for mobilising donor resources than for driving the nations' development agendas.

2.2.4 Donor commitment to poverty reduction and the PRS in Ghana and Tanzania

In Ghana, a national newspaper described the GPRS as 'the centre piece around which all development partners will formulate their programmes for Ghana'.²⁶ At a meeting of international NGOs in September 2001, DFID-Tanzania's Head of Mission promoted the new form of aid partnership that was being encouraged, holding up the PRSP and saying: 'this is our country strategy paper and it should be yours', a position that continued to be strongly held in 2004. Every donor covered – WB, DFID, EU, JICA, SIDA, CIDA, DANIDA, NORAD, UNDAF donor agencies – referred to the PRS's analysis of poverty and prioritisation of activities as being important for their programme. All the donor country strategies reviewed align their aims at least with the overall aims of the PRS. Even the strategy of JICA, not renowned for having a poverty focus or for its aid harmonisation efforts, now shares the targets of the PRS and 'tries to focus on the priority sectors'.²⁷

It is, of course, relatively easy for donors to say they are supporting the PRS if it remains a broad national development plan, with a shopping list of a range of policies and implementation activities, and remains tied to core and multi-donor backed conditionality. Support for the PRS also does not mean that donors are not critical. Many individuals in both countries are at least unofficially concerned that the PRS is not yet reaching the poorest of the poor. Documentation reveals that DFID is the donor most willing to back the document with its assistance. Even the World Bank obviously supports, but does not totally align with, the strategy. The World Bank economist in Tanzania said they would 'put the PRSC assistance framework exactly next to the PRSP and its updates – just differing on relative emphases'. In other words, as with other donors, they *could* choose to emphasise areas that would be particularly effective for tackling childhood poverty.

²⁶ Daily Graphic, Sat 20th July 2002, p10.

²⁷ Enoki, interviewed Dar es Salaam, 2002.

2.3 Policy for children in poverty

2.3.1 Children in the PRS

Boxes 1 and 2 provide an overview of the consideration of children in the two PRSs. The common theme is one of increased prioritisation of social sectors, although not necessarily of components important to children. However, there is overall a general lack of analysis of how poverty affects children and young people.

Box 1 Children in the existing PRS in Tanzania (URT, 2000)

The general perception of those concerned with children and childhood poverty is that children were not really considered in the first PRSP: 'It is not a matter of children being lost in the sectors, they were never there to be lost'.²⁸

Children in the analysis of poverty

Key individuals are worried about the continuing lack of any analysis of children within both the broader PRS and the macro-economic environment. The first PRSP identifies that 'the youth, old and large households are more likely to be poor' (URT, 2000). The state of non-income poverty is assessed through primary education enrolment, infant and under-five mortality and child malnutrition. When identifying issues of vulnerability, only so-called AIDS orphans are mentioned. The stakeholders in the national consultation workshop in 1999 added their concerns about unemployed youth and child labour which are obviously not addressed in the PRS. Members of the NGO Policy Forum and UNICEF are attempting to ensure that analysis of children and young people in the political economy remains on the agenda. In the last 18 months, the Participatory Poverty Assessment (PPA), the Poverty and Human Development Report and the national Poverty Policy Week (a week of policy debate) made significant efforts to capture issues of children and youth. The government has encouraged debates around 'cross cutting issues' in the new PRS, in which children and youth are two important components. A research NGO, REPOA, is leading a programme of research on children in the country.

Children in the strategy to reduce poverty

Again, this was limited in the first PRS although importantly, priority was given to primary education (through the Primary Education Development Plan) and health, clearly both key sectors for child wellbeing, as well as water, agriculture and rural roads. The first PRS states that vulnerability was to be dealt with by the Tanzania Social Action Fund (TASAF) and 'other interventions that would be targeted at the most vulnerable groups (orphans and handicapped)' (URT, 2000: 27). TASAF staff admitted in 2002 that it was not yet effectively tackling issues around HIV/AIDS or of children living in poverty²⁹. Despite this, the World Bank (which finances the fund) still sent the Ministry of Labour, Youth Development and Sport to TASAF when it requested funding for child protection projects.³⁰ The issue of vulnerability

28 NGO source, interviewed Dar es Salaam, 2002.

29 Swalehe, interviewed Dar es Salaam, 2002.

30 Kameka, interviewed Dar es Salaam, 2002.

has had a stronger place in the debate because of the results of the PPA that focused on vulnerability, although the impacts of this research are yet to become apparent, and concerted action to address vulnerability is yet to materialise. The macro-economic framework still concerns many.

Implementing the strategy

Budget increases have been noted in Education and Health, for example. However, the translation of this into benefits for children, especially poor and vulnerable children, still remains to be demonstrated. While indicators exist at a national level, there are no tools for targeting childhood poverty at district level and for monitoring progress. As a result, budget increases are assumed to translate into improved access and wellbeing, but more progress is needed to ensure that this is actually the case (TEN/MET, 2004).

Children and poverty monitoring

The majority of indicators to measure progress are directly child-focused:

- **human capabilities:** girl/boy ratios in primary and secondary education, transition from primary to secondary education, literacy rates, net and gross primary school enrolments, drop out rates and pass rates for Standard VII, prevalence of acute respiratory infection and diarrhoea in under-fives;
- **survival:** infant and under-five mortality rates, sero-positive rate in pregnant women, maternal mortality, malaria fatalities for under-fives, immunisation coverage and births attended by a skilled health worker;
- **nutrition:** stunting and wasting of under-fives (URT, 2001a).

The indicators for extreme vulnerability are also child-oriented: proportion of orphaned children and child-headed households, proportion of children in the labour force and the proportion of those in the labour force *and* not going to school. UNICEF's representative has been one of the most influential advisors to the poverty monitoring system.

Children in the process

Children's voices, as citizens making up a large proportion of the population and experiencing poverty, have not been heard in the PRS process to date, with the exception of the Participatory Poverty Assessment 2001-2003. This analysis of vulnerability included youths through creative means such as rap. The brief survey developed by the VPO for a country-wide consultation on the new PRS was tested with children to ensure they understood it, and it clearly calls for children's response and that of various vulnerable groups in society. Special consultations with children have been organised, financed by the VPO's budget. Finally, the PPA and the results of various consultations, gave civil society strong evidence and arguments to advocate for a stronger focus on vulnerable groups and some of the approaches to tackle the problems.

Box 2 Children in the Ghanaian PRS (GoG, 2002)

As in Tanzania, there is a general consensus among NGOs, government officials and some donors that poverty affecting children and young people is not adequately captured in the GPRS. One NGO source went so far as to say: 'There is nothing here for us.' However, by the time the Ghanaian strategy was finalised, there was widespread recognition of the MDGs that include explicit provisions on health and education, for example.

Children in the analysis of poverty

The analysis displays a lack of recognition of particular problems facing children. As in many PRSs, consideration is given to the important problems faced by children living on the streets. However, a focus on these children, often the more visible of vulnerable children, can detract from wider issues and problems facing others. There is no consideration of some broader issues such as poverty, children and social breakdown and crime, the impact of HIV/AIDS on children and families, or the scale and implications of child labour. There was little mention of the connections between children and livelihoods, including agriculture which has clear links with nutrition.

Children in the strategy to reduce poverty

Education is one of the priority areas of the PRS that tackles aspects of poverty affecting children. Concerns have been voiced, however, that there is an over-emphasis on children of school age who are in formal education and insufficient attention to concerns of out-of-school youth. The World Bank/IMF assessment of the GPRS also raises concerns about education plans not linking with GPRS objectives, not taking into account the management and financial constraints facing the sector, and not addressing some of the reasons why poor children do not attend school which do not relate to service provision (IDA/IMF, 2003). A particular issue in Ghana is the regulation of the 17 per cent of primary education services run by private (private sector, NGO and faith group) providers (GoG, 2002). There are positive signs in the strategy for health, where improving infant mortality is an explicit goal and the government wants to 'phase out the cash and carry system and replace it with a more humane and effective system of financing health care' (GoG, 2002: vi). There appears to be little through formal social protection systems for the most marginalised because attention is focused on the formal employment sector (IDA/IMF, 2003).

Children and poverty monitoring

52 poverty monitoring indicators have been developed by NDPC to monitor poverty at all levels of human development, including children. The indicators developed cut across various issues, including those affecting children, but the list is less comprehensive in picking up different aspects of childhood poverty than that in Tanzania.

Children in the process

To the authors' knowledge, children have not been encouraged to make any visible or meaningful contribution to the process.

2.3.2 Other national policy frameworks for marginalised children

Both Ghana and Tanzania ratified the UN Convention on the Rights of the Child, and Conventions 139 and 182 on the Abolition of Child Labour. Both countries have developed National Plans of Action for Children. In both countries, however, these processes and plans have run parallel to key national policy debates rather than linking with them. Other policy efforts for children have not been strong. Tanzania has a Child Development Policy (CDP), which was supposed to be ratified by Parliament in 2001, and which 'broadens its analysis of children's socio-economic situation and covers participation rights as well as survival, protection and development rights'.³¹ However, no progress has been made since that draft and even if it had been ratified, its impact on poor children is doubtful. The draft contains a section outlining activities to 'reduce poverty to improve the life of every child' which are a mixed bag, including the use of labour-saving appropriate technology, the importance of pre-school childcare, savings and credit especially for women, and the production of quality products (Jamhuri ya Muungano wa Tanzania, 2002). There was no implementation framework and the institutional set-up for implementation is not strong. It is hoped the next PRS will more explicitly address childhood poverty and that the newly created Department for Children's Affairs will be more strategic in its planning.

2.3.3 Keeping children on the agenda: the institutional set-up

It is of course impossible for one ministry to tackle poverty affecting children and young people. Sectoral line ministries have important responsibilities including, but not exclusively, the: Ministry of Education (both countries); Ministry of Health (both countries); and the ministry responsible for social welfare (Ministry of Social Welfare, Labour and Youth in Tanzania and the Ministry of Manpower and Employment in Ghana). However, in both countries, keeping children on the agenda is the responsibility of a particular ministry with specific responsibility for children.

In Tanzania, this is the Ministry of Community Development, Women's Affairs and Children (MCDWAC) and, more specifically now, the Department of Children's Affairs, established in 2004. This Ministry was established in 1990 following the ratification of the Convention on the Rights of the Child. In Ghana, it is the Ministry of Woman and Children's Affairs (MOWCA) under whose auspices the Ghana National Commission for Children, formally under the President's Office, now falls. These Ministries, it might be assumed, are responsible for keeping children on the national government's agenda, including the PRS. In Tanzania, control of

³¹ Mangesho, interviewed Dar es Salaam, June 2002.

the PRS has until more recently been centred on the Ministry of Finance and VPO; it is not surprising that the MCDWAC has had little input. However, many in both countries voice concerns that the Ministries are unable themselves to raise the issues, despite their cabinet status. According to NGO, donor and government sources in both Tanzania and Ghana, the Ministries, and children's issues within them, have been marginalised and under-funded, and generally lack clarity about their role and strategic direction.

In both countries, children do not receive nearly as much attention or funding as women. Not insignificantly, the Tanzanian national budget allocations for 2002 (in the MTBF) incorrectly labelled the Ministry in question as the Ministry of Community Development, Gender Affairs and Culture, missing out children altogether! The recurrent expenditure budget to cover core Ministerial operating costs for 2002/3 was 2.9 billion Tanzanian shillings (just under \$2.9 million), compared to 48 billion shillings for health, 110 billion shillings for defence and 1.8 billion shillings for Radio Tanzania (MoF, 2002). Of the 2.9 billion, only 200 million (just under \$200,000 in 2002) was available for the Gender Development Department, after the majority was absorbed by Community Development. The children's programme had no clear budget, except for specific events such as the UN General Assembly's Special Session on children and is heavily reliant on UNICEF and NGOs for programme activities.³²

The Ghanaian MOWCA's budget doubled between 2003 and 2004 from 9.7 billion cedis to 20.6 billion cedis, although this new allocation was only 0.4 per cent of the total social services sector budget of 5,048.5 billion cedis (GoG, 2004)³³. The Ministry does benefit from HIPC funds, but its poverty expenditure is on micro-credit for women's income-generating activities. Given the strong links between women's and children's wellbeing, this should not be discouraged. However, the systematic under-funding of children's departments is a problem. This situation is not unique to Tanzania and Ghana. Nor is it unique to specific Ministries for children. In pre-PRS Ghana, the Ministry of Employment and Social Welfare became the Ministry of Manpower Development and Employment, losing all emphasis, at least in the name, on social welfare. Within this Ministry, the share of the budget for the Department for Social Welfare and Justice for work on children's rights has remained meagre or 'the poor man's share'.³⁴

Given these institutional weaknesses, there has been considerable debate about how best the government and others in Tanzania, for example, keep children on the PRS agenda – as

32 Mangesho and Chali, interviewed Dar es Salaam, 2002.

33 Reasons, often women- rather than specifically children-focused, include an expansion of staff strength and activity of MOWAC (eg District gender focal persons), expansion in activities to promote women's enterprises and increased ministerial activity being more realistically reflected in budget proposals made to the Ministry of Finance.

34 SC/ISODEC, 2002; Azeem, personal communication, Accra, 2004.

mentioned in Box 1. Recognising the importance of the Public Expenditure Review for both budget and impact monitoring and policy review, a working group that considers spending on young people and other excluded groups, was agreed to be important by government, and strongly supported by NGOs, including Save the Children and UNICEF. A focus on excluded groups is clearly more complex than an expenditure review for an individual sector, and there is much more work to be done before this translates into revised budget priorities for children.

Within these aid and policy contexts, the next section asks whether donors are considering childhood poverty, how they approach it and whether they prioritise the need to tackle it.

3. ‘We don't do child poverty’: Donor prioritisation of and approaches to tackling childhood poverty

3.1 Donor recognition of the need to prioritise poverty affecting children

The national offices of all donors involved in the study focus on poverty reduction. However, only UNICEF, SIDA and, to a certain extent, CIDA and ILO-IPEC, consider the range of different ways that poverty affects children and young people and explicitly articulate the importance of addressing the situation in their objectives and strategies for development assistance.³⁵ The documentation reviewed did not reveal any systematic analysis of the need to invest in children because of the long-term development implications of not doing so both for the individuals involved and for poverty reduction or development more generally. In fact, the most common response when setting up interviews for the study was ‘we don't do child poverty’. In other words, while donor representatives would not disagree that it was important to consider children, discussions revealed a definite lack of agency-level deliberation over how best to tackle poverty affecting children and young people in Ghana and Tanzania.

Unsurprisingly, and despite the fact that observers feel that understanding and prioritisation of the issues is often left to individual teams or even individual staff within the agency, UNICEF is one of the obvious exceptions in both countries. The Head of the Analysis, Monitoring, Communications and Advocacy Unit at UNICEF Tanzania strongly encourages national policy debate on the holistic approach needed to tackle childhood poverty and the implications of poverty being transferred from childhood to adulthood and from generation to generation. UNICEF in both Ghana and Tanzania believes poverty alleviation is critical for the realisation of children's rights. In both countries, ILO-IPEC, which also has a child-focused remit, believes that tackling childhood poverty is an ‘important step towards breaking the vicious circle of poverty and eliminating child labour as a whole’ (ILO-IPEC, 2001: 1).

SIDA in Tanzania (not considered in the Ghana case study) is the only bilateral agency with an obvious commitment to ensuring that its ODA improves children's lives in the country. SIDA asserts that for each focal area of its poverty-focused development co-operation – pro-poor growth, human resource development and democratic development – consideration is given as to how ‘the interests of children and young people can be addressed’, and this is evident throughout its Country Strategy (SIDA, 2000a: 16). Others do refer to the need to consider children but are less systematic. For example, CIDA states that ‘within northern Ghana, emphasis will be placed on women and children living in poverty’, but in neither country are its country programmes developed on the basis of a comprehensive analysis of the situation of children.³⁶

³⁵ That is not to say that their agencies globally do not prioritise the issues or have specific policies, as discussed below.

³⁶ CIDA, 1999: 13; Myers, interviewed Dar es Salaam, June 2002.

Generally, as UNICEF Ghana's Country Representative and many NGOs reflected, poverty affecting children is not being conceptualised and prioritised by many other donors³⁷. Country strategies and other documentation available from the EU, DFID, Japan/JICA, World Bank, Denmark, UNFPA³⁸ and UNDP in both countries plus Norway in Tanzania make no reference to the need to address, let alone prioritise, poverty affecting children and young people. JICA, for example, explained that, at least in 2002, it '[did] not consider children and other vulnerable groups in [its] approach to poverty reduction'.³⁹ This does not mean that it, or others, fail to recognise the problems of high infant mortality rates or poor educational attainment, for example, or that they cannot when asked, relate components of their work to promoting children's wellbeing. DANIDA in Tanzania recognises that large families are more likely to be poor and the 'young and the elderly are generally poorer than the middle age groups'; however, its strategy does not go on to prioritise actions on the basis of this analysis (DANIDA, 2002: 15). Even in its work on health, the rationale is the need for economically productive adults to be healthy, rather than for child survival and development *per se* (DANIDA, 2002). DFID also did not want to prioritise child wellbeing, justifying this with reference to the alignment of its country strategy with the PRS; neither Ghana nor Tanzania's country assistance plans highlight the urgent need to address the poverty of the younger generation. In Tanzania, the DFID Head of Mission said: 'UNICEF has the mandate for childhood poverty. Our priority is pro-poor growth and we will invest where we feel we are going to have the biggest impact for all people, young and old in Tanzania', quoting the examples of economic and public sector reform programmes.⁴⁰ The World Bank was more willing to voice its support, claiming in 2002 that it was 'thinking more and more about children' in Ghana. However, as yet, there is little evidence of real analysis and prioritisation in its Country Assistance Strategy, PRSC and, according to local NGOs, the PRSP, the formulation of which they closely supported (World Bank, 2003b; 2004; GoG, 2002).⁴¹ Interestingly, DFID, DANIDA and the World Bank, together with SIDA and CIDA, have either global or agency-wide policies on addressing childhood poverty or have made public commitments to the need to tackle it (Marshall, forthcoming).

37 Shtrestha, interviewed Accra, 2002; Ramm, interviewed Accra, 2002; Sabaah, interviewed Accra, 2002.

38 UNFPA work 'includes activities tackling the socialisation of children that are not conceptualised as being directly within a poverty complex' (Ofstedal, interviewed Dar es Salaam, June 2002).

39 Enoki, interviewed Dar es Salaam, June 2002.

40 Sergeant, interviewed Dar es Salaam, June 2002.

41 A simple word-search for 'child', 'children' or 'youth' in the World Bank CAS only refers to child nutrition and street children (p14).

3.2 Why the resistance to giving children a first call on resources?

There were a number of reasons for donors not prioritising children within their portfolios. First, as mentioned above, some donor representatives, notably DFID and the World Bank, were unwilling to state their own agency's position on childhood poverty outside that of the PRS. This was particularly the case in Tanzania, where the PRS was already being implemented at the time of interviews, although documentation produced by these two donors in Ghana since 2002, also conforms to this trend (DFID 2003a; World Bank 2003a, 2003c). The World Bank Economist in Tanzania, for example, refused to describe the institution's approach to childhood poverty at all, stressing the principle of 'responsiveness' to which the Bank now operates.⁴² This example of the general shift of many donors towards responding to country-led strategies has important implications. These include increased attention to national research, analysis and prioritisation, and donors' emphasis on the need for state and other actors, rather than donors, to lobby for a consideration of children in the macro-economy. In interviews in Ghana, various donors said that 'they could not rush Ghana too much', that they did 'not want to be too pushy'. However, this 'responsiveness' should not, at least for now, detract attention away from donors' own analyses of poverty and their agencies' priorities. As the World Bank Country Assistance Strategy (CAS) for Tanzania explains, its 'intervention depends on government preferences, comparative advantage of the Bank compared to other donors and *where we feel the impact on poverty will be greatest*' (World Bank, 2000: 17, author's italics).

Other reasons why children are not clearly prioritised include the following:

- Unlike gender, which has been more widely accepted as a vital consideration in development, children's rights have not been 'mainstreamed' for a number of reasons, including the weakness of the child rights movement.⁴³
- There is often a fundamental 'cultural' unwillingness on both the Tanzanian and Ghanaian and the international sides, to acknowledge children's role in development.⁴⁴ They are often seen as a side issue to critical development issues; they are either regarded as future adults, but not as citizens in their own right, or as part of 'women's arena'. This is partly understandable given that power is firmly held by adults, that children often do require mediation in decision-making processes and that women are often best placed to carry out this mediation.

⁴² Professor Ndulu, World Bank Economist, interviewed Dar es Salaam, June 2002.

⁴³ Rajani, interviewed Dar es Salaam, June 2002.

⁴⁴ Rajani, Leach, Wilson, Billanou, Ghana-based NGOs, interviewed/personal communication. Dar es Salaam and Accra, 2002.

- There has been a poor track record of efforts. One donor warned: ‘don’t label children as a separate issue as it leads to a whole train of ineffectual programmes’. While we would agree that labelling them as a ‘separate issue’ is not necessarily the best way forward, this view might also be indicative of donor reluctance to invest in the area of children. This, at least in part, relates to the perceived roles and capacities of the relevant ministries (see section 2.3.3).
- There is a belief by many donors that addressing childhood poverty is the responsibility of UNICEF – they have the ‘comparative advantage’, an important selection criteria applied by all donors when designing their strategies. The other UN agencies were particularly clear on UN-wide divisions of responsibility, although UNDP’s broader poverty reduction and aid co-ordination remit, and UNFPA’s reproductive health role both have obvious overlaps.
- For some, it is the influence of donor headquarters in the North in setting priorities and delimiting budget allocations. One reason that Japanese ODA does not include a strong consideration of children and other vulnerable groups is because ‘there are many ministries in Japan contributing to JICA’ – although JICA became an independent agency in October 2003.⁴⁵
- Some donors talked about the pressure on their own budgets and on national resources as well as their concerns that a focus on poverty affecting children and young people might detract from broader poverty reduction efforts. This implies that children are not regarded as a strategic cohort or focus for investment to tackle part of the life-course that is vital for breaking poverty cycles.
- There is a general lack of analysis of poverty affecting different age groups.

Overall, although they do not explicitly conceptualise poverty affecting children and young people or explicitly aim to tackle it, EU representatives, among others, are sure that their work will have a positive impact on poor children (EU, personal communication, Ghana and Tanzania, 2002). We now examine in more depth different donors’ approaches to childhood poverty.

3.3 Donor approaches to childhood poverty

Three clear approaches to children in poverty emerged from discussions and documentation reviewed: a human development approach, a belief of the interconnectedness between childhood and family/broader poverty and an approach that sees children as a special group. Individual

⁴⁵ Enoki, interviewed Dar es Salaam, June 2002.

donors often, of course, articulated more than one approach. Two additional perspectives are added: a consideration of childhood poverty within the context of environmental problems (for example, drought or the HIV/AIDS pandemic) and a rights based approach to poverty.

3.3.1 A human development approach to children in poverty

One NGO source in Tanzania said ‘the agencies with serious policy analysts with significant power here would say that education and health sectors take care of children, plus some work on special issues’. The majority of donors working in Ghana and Tanzania did indeed largely relate tackling childhood poverty to working in social sectors. The examples of projects and programmes which donors felt would have an impact on childhood poverty focused mainly on education and, to a lesser extent, health, although some, particularly the World Bank, also included water.

In both countries, when pushed to link their assistance to childhood poverty, those articulating a predominantly human development focused approach included the World Bank and UNICEF (both countries), DFID (more explicitly in Ghana), DANIDA, NORAD, EU (in Ghana) and JICA (in Tanzania).

Example: World Bank

‘Basic Education Subsector Investment Project (BESSIP) can be considered as mitigating and preventing child poverty in Ghana. It seeks to improve teaching and learning by enhancing management capacity and provide resources and infrastructure for schools’ (World Bank in Ghana⁴⁶).

‘The World Bank supports education and health...service delivery focused on children as the foundation for society...but also water and roads - there are obvious impacts of improving these services on reducing the time burden of women and children’ (World Bank in Tanzania⁴⁷).

Investing in human development is certainly of vital importance for children. As mentioned in section 1, investment in nutrition, education and child health, in particular, has been identified as being critical for preventing poverty cycles (Harper, Marcus and Moore, 2002). When asked which of their portfolios would contribute to breaking poverty cycles, donors identified social sector based work such as girls' education (World Bank, CIDA) and maternal and child health (UNFPA).

46 Dapaah, interviewed Accra, 2002.

47 Ndulu, interviewed Dar es Salaam, 2002.

UNICEF in both countries recognises that its approach has been to address the manifestations of child poverty, and children's basic needs from a rights based approach, although it claims that its approach involves tackling causes as well as manifestations of poverty. One should not, argues the UNICEF Tanzania representative, equate tackling childhood poverty with simply investing in social sectors. Such a reliance on social sectors fails to take account of, for example, the importance of securing household incomes and family livelihoods for children's development (Harper and Marcus, 1999). A holistic approach is vital for tackling poverty affecting children. Unsurprisingly, given its greater level of analysis of childhood poverty, SIDA takes a more holistic approach whilst still highlighting the importance of social sector investment.

Example: SIDA in Tanzania

'Support to education has been the main entry point for Swedish support to children in Tanzania...SIDA has a 30-year involvement in Tanzania's education sector that currently focuses on primary education sector development, plus support for school text books and girl children's rights to education...But we look more broadly at factors that affect the poor's access to education... For example, if the countryside has access to electricity, it has a direct impact on literacy as well as encouraging pro-poor growth'.⁴⁸

3.3.2 Children in poverty as a special, vulnerable group

This approach is often taken by those who stated 'we don't do child(hood) poverty', as asserted by many of the donors including EU, JICA, CIDA and DFID in Tanzania. This suggests that to 'do' child poverty implies designing a set of special, direct action programmes aimed at a special group. A common donor perception in both countries was of children as one of the special groups vying for attention in the PRS and other policy areas; others included disabled people and women. Some donors thought that whilst targeting poor children might be desirable, they did not want to alienate other sections of society, by favouring one 'group' over another. Nor did they want to detract from broader and more 'fundamental' tasks involved in poverty reduction, such as rural development, economic and public sector reform, implying that these 'fundamental' tasks were somehow separate from improving the situation of particular groups. Poverty affecting children was regarded as being best addressed by direct, often grassroots, action by UNICEF or particular NGOs. The World Bank in Tanzania, which also stressed the importance of social sectors, believed that the Tanzania Social Action Fund which it supports, was key:

⁴⁸ Stodberg, interviewed Dar es Salaam, June 2002.

Example: World Bank in Tanzania

‘To address vulnerability, there are safety nets - TASAF is a responsive programme for tackling community based poverty reduction that should cover children in poverty’⁴⁹.

At least, children are not necessarily assumed to be a homogeneous group: many donors identify particularly vulnerable sub-sets, most commonly street children, AIDS orphans, girl children or working children.

3.3.3 Childhood poverty is strongly linked to family/broader poverty

Some donors, such as DFID and the EU in Tanzania, articulated their belief that broader reforms and programmes that tackle broader poverty will automatically benefit both children and adults, a sentiment shared by many of those taking a more human development approach, such as the World Bank. A few donor representatives even warned us against lobbying for childhood poverty to be tackled because this makes it *seem* as though a separate approach is needed, rather than that it is possible to address children through sector and, particularly, macro reforms that affect livelihoods.

DFID and the World Bank both stressed the impact of current reform programmes, such as public financial management reform, on the whole population through improved social service delivery and better management of the economy. All expressed the belief that growth is vital for poverty reduction for both young and old. DFID, among others, emphasised pro-poor growth, while others stressed more general, private sector-led growth. With particular reference to infrastructure, while JICA saw its investment as impacting only indirectly on children, the EU, with huge investment in transport infrastructure in both Ghana and Tanzania, directly linked child wellbeing with families' access to markets and livelihoods.

⁴⁹ Ndulu, interviewed Dar es Salaam, June 2002.

Example: European Commission

'Singling out child poverty may be desirable but may not be practical...All forms of EC interventions benefit different parts of the community in Ghana and improving the circumstances of the family improves children's wellbeing' (EC, Ghana).

'We do not focus on any target group but we believe that our programme overall...[the example of their road construction was given] will effectively reduce poverty experienced by children and their families'.⁵⁰

Promoting the principle at least of the connections between childhood poverty reduction and family and community poverty reduction *is* critical for a holistic approach to reducing the poverty affecting children and young people. However, there are caveats. Trickle down to poor children is most often assumed rather than assessed. There are usually more grounds for this assumption with programmes that *directly* tackle family poverty. CIDA's belief, that children within the areas covered by water and food security programmes for families will automatically benefit are not unfounded, though CIDA and others do not explore intra-household distribution of resources. There are also more grounds for the assumption of trickle down when assistance addresses the situation of women. As mentioned above, some donors make the links between women's livelihoods and children: CIDA in both countries and DFID in Ghana believe that 'when employment and incomes of women are improved, substantial improvement is seen in the welfare and education of families' (CIDA, 1997: 15). With the exception of UNICEF and ILO's child-focused programmes, no donor said that it routinely assesses the impact of its assistance on children and young people in poverty. The development of national poverty monitoring and evaluation systems in both countries has provided an opportunity to ensure the assumed trickle down is assessed. There is still work to be done, particularly in Ghana, to ensure that monitoring the impact of policies on children is mainstreamed in poverty monitoring processes; even in Tanzania, the Annual Poverty and Human Development Report still does not adequately capture poverty affecting children.

3.3.4 Childhood poverty, the environment and HIV/AIDS

Ghana and Tanzania both experience food security and other problems linked to environmental phenomena, but the links between poverty and the environment for children or adults are not often made by donors, although the World Bank in particular has bio-diversity and conservation

⁵⁰ Schmidt, interviewed Dar es Salaam, 2002.

programmes in both countries. However, unsurprisingly, all donors in both countries are increasingly linking the HIV/AIDS pandemic with poverty affecting all age groups. For example, DFID, which tries to work as much as possible through general budget support (see section 4.1) has identified the urgent need to invest directly in HIV/AIDS (DFID, 2003a). UNICEF identifies HIV/AIDS as the greatest single threat to Tanzania's security and socio-economic development.⁵¹ The impact on children, including the rise in the number of AIDS orphans and related pressure on the extended family in both countries is critical; at least in Tanzania, childhood poverty appears increasingly to be seen in the context of the pandemic.

3.3.5 A children's rights based approach?

A rights based framework is only used by UNICEF. No other donors in either country referred to the Convention on the Rights of the Child (CRC), although some of the bilateral agencies such as DANIDA, SIDA and DFID refer to rights within their democratic governance work or have analysed the situation with regard to children's rights.⁵² This presents a dilemma to organisations working to realise children's rights. Are arguments that are framed within the need to break poverty cycles more effective than rights based ones in the current donor environment? This is explored more in the forthcoming paper by the author that considers donor head office approaches to poverty affecting children (Marshall, forthcoming).

3.4 Does aid in Tanzania and Ghana tackle poverty affecting children?

The way in which donors describe how their aid addresses poverty affecting children and young people clearly relates closely to the action they take through their portfolios of assistance.

3.4.1 A meaningful assessment of aid allocation for children?

Major conceptual and practical difficulties arose when assessing donor allocations of ODA to tackling poverty affecting children, particularly in the context of Ghana and Tanzania where general budget support accounts for an increasing proportion of many donors' portfolios of assistance (see section 4.1). With the exception of the World Bank in Tanzania, donors were unwilling to estimate the overall proportions of their ODA that benefit children, raising many of the issues below.

Practically, although donor strategies are grounded in their own situational analyses and preferences for areas of support, comparative advantage is important: it is not expected that each

⁵¹ <http://www.unicef.org/infobycountry/tanzania.html>

⁵² An example is the study by Warioba and Groves (1999) commissioned by DFID on children's rights in Tanzania, not mentioned in the documentation or interview carried out in Dar es Salaam.

donor's portfolio would have a holistic package of measures to tackle the multi-dimensionality of childhood poverty. Moreover, few donors provided detailed budget information. Those which were available used different classifications of areas of support and different time-frames for assistance, making meaningful comparison impossible. Aid, unless tightly managed by project management systems, is also fungible: it can be allocated to an activity, like primary health care, that a government was going to fund anyway, thus freeing up government money for non-donor priority activities elsewhere. National figures for actual allocations disbursed by each agency over a financial year would permit a level of quantitative analysis of donor activity. Without comprehensive figures from the Ministries of Finance – still work in progress as mentioned earlier – this was impossible. However, importantly, tracking particular donors' money to particular activities or even sectors goes against the very principles of aid co-ordination and alignment that budget support and the new aid agenda seek to encourage.

Even with comprehensive national data, which budget lines to include is still a major conceptual challenge: how to isolate the proportion of aid or public expenditure that directly tackles childhood poverty? Some services are directly aimed at children, for example, primary and secondary education, immunisations for children under five, early child development programmes, and social protection schemes specifically aimed at children. However, most services, such as water and sanitation, are aimed at the population as a whole or poor families, and have important implications for child survival and development. Furthermore, children are indirectly affected by activities that have an impact on these services, such as public administration reform, and by programmes of support that aim to improve livelihoods, such as micro-enterprise, agriculture and road rehabilitation. Then, there is also support for more macro-level reforms, such as governance or economic policies that affect children indirectly, but are important for their effects on family wellbeing. We would not wish to take a narrow definition of aid for children.

Donors (specifically World Bank Tanzania, DFID Tanzania) suggested that the best possible assessment of whether donor funding reaches children would be to monitor the outcomes for all children nationally including, for example, through measuring attainment of the MDGs. Attribution, they believe, is not necessary if everyone is working for national development goals. As discussed in section 4, some donors still have some way to go before this is accepted. However, the principle of monitoring the effects of aid budgets combined with domestic financing is important if the monitoring also appreciates the sustainability of the change as well as the reaching of a target. For the purposes of this study, only an indication of areas and levels of support were required. The tables in section 3.4.2 therefore give a rough assessment of areas of

donor support without attributing budget figures. Examples are given where possible to give an indication of the scale of investment in a particular sector by different donors.

3.4.2 Donor activity that should tackle childhood poverty

Tables 3 and 4 illustrate in which sectors and activities the donors included in this study are involved in the two countries. The analysis was based on available documentation, largely from the agencies' websites, and as such does not always provide a useful level of detail. JICA and SIDA were only covered in Tanzania. There are a few donors whose programmes differ between the two countries. One is DFID whose programme in Ghana was, at the time of research between 2002 and 2004, still taking a sectoral approach, although there were indications that this programme might shift to resemble that in Tanzania with a large proportion channelled through general budget support. The EC in Ghana supports health and education; the EC in Tanzania only supports education, and the donor representative was keener to emphasise the importance of the roads programme. The World Bank in Ghana has targeted more funding specifically at vulnerable children than it has in Tanzania.

Looking across the selection of donors in each country, there are obvious gaps in the kinds of activities and sectors supported.⁵³ Most donors involved in the study support health and education sectors, including sub-sectors of critical importance to children like primary education and maternal and child health. Other than health and education, there is an obvious concentration of support on more (family) livelihoods-oriented sectors and, especially, macro-level activities rather than those more directly aimed at children. This partly reflects the focus on national governance and budgeting systems that accompanies the use of budget support. Support to NGOs, importantly, was perceived by most donors as a key way to reach poor children and is reflected in their assistance portfolios, though it is often difficult to tell what proportion supports activities more directly related to children in poverty.

Youth-focused programmes were notably missing, despite several donors recognising the importance of problems affecting young people as the next or indeed current generation of parents and of society more broadly. The World Bank CAS in Tanzania, for example, identifies the problems which the youth face in finding employment, but no evidence was found of how this is being put into practice (World Bank, 2000). Most donors' support to vulnerable children is focused on HIV/AIDS orphans and street children. This has led to a range of targeted specific projects rather than a broader consideration of how to address the needs of vulnerable children and, where relevant, their families through, for example, social protection measures like family/child-focused income transfers. Early childhood development, juvenile justice and child

⁵³ As noted in section 1, this does not mean that other donors are not also funding these activities.

protection were considered part of UNICEF's remit, despite some agencies such as CIDA having policies on child protection internationally. The World Bank in Ghana also has a programme that includes support for community nutrition. A level of detail missing from the tables is whether the assistance is targeted at particular geographical areas - this information was not consistently available. A number of donors support urban and rural development programmes that largely encompass aspects of 'livelihoods support'. With these exceptions, there is a notable sectoral delineation of support programmes in Tanzania more than Ghana; this was considered to be related to the sectoral nature of the PRSP.⁵⁴ More integrated, holistic approaches to poverty reduction, such as linking water and health for example, were not evident during this research, at least in Tanzania. Finally, it is often difficult to tell from donor documentation whether they are supporting work to strengthen decentralisation processes and capacity at local government level. The author's own experience suggests that this is an area that donors are weak in supporting even though representatives in both countries recognised the importance of decentralisation for more locally-relevant interventions for children.

Table 3 Tanzania: Donor involvement in sectors and activities

Sector/intervention supported	CIDA	DANIDA	DFID	EC	JICA	SIDA	World Bank	UNICEF	ILO-IPEC
Direct									
Education – primary and secondary	✓			✓	✓	✓	✓	✓	
Maternal and child health, including HIV/AIDS					✓		✓	✓	
Young children's nutrition and early childhood development (ECD)								✓	
Social protection targeted at children* and specific support to vulnerable children**						✓		✓	✓
Youth-focused activities, eg employment, HIV/AIDS prevention, reproduction, health								✓	
Child labour								✓	✓
Juvenile justice and child protection								✓	

⁵⁴ Leach, interviewed Dar es Salaam, June 2002.

Sector/intervention supported	CIDA	DANIDA	DFID	EC	JICA	SIDA	World Bank	UNICEF	ILO-IPEC
Family-oriented									
Primary healthcare including HIV/AIDS and general sector support	✓	✓	✓			✓	✓		
Water and sanitation					✓		✓	✓	
Higher and adult education									
Broader social protection							✓		
Direct family livelihood support eg income generation	✓								
Livelihoods support – agriculture, feeder roads, employment creation, business development		✓		✓	✓	✓	✓		
More indirect – major roads, large energy projects				✓	✓	✓	✓		
Macro-level									
Macro-economic reform	✓	✓	✓	✓		✓	✓		
Governance	✓	✓	✓	✓		✓	✓		
Environment							✓		
Other									
General budget support	✓	✓	✓	✓	✓	✓	✓		
NGO/community development support	✓	✓	✓	✓	✓	✓		✓	
Humanitarian				✓					
Poverty analysis			✓		✓	✓	✓	✓	

* for example, financing of exemption schemes for payments for healthcare for under-5s or pregnant women.

** for example, those living on streets, working, orphaned by HIV/AIDS.

Table 4 Ghana: Donor involvement in sectors and activities

Sector/ intervention supported	CIDA	DANIDA	DFID	EC	World Bank	UNICEF	ILO-IPEC
Direct							
Education – primary and secondary		✓	✓	✓	✓	✓	
Maternal and child health, including HIV/AIDS	✓	✓	✓	✓		✓	
Young children's nutrition and ECD		✓			✓	✓	
Social protection targeted at children* and specific support to vulnerable children**					✓	✓	✓
Youth-focused activities, eg employment, HIV/AIDS prevention, reproduction, health						✓	
Child labour		✓				✓	✓
Juvenile justice and child protection							
Family-oriented							
Primary healthcare including HIV/AIDS and general sector support	✓	✓	✓	✓	✓		
Water and sanitation	✓	✓			✓	✓	
Higher and adult education							
Broader social protection					✓		
Direct family livelihood support, eg income generation	✓						
Livelihoods support – agriculture, feeder roads, employment creation, business development	✓		✓	✓	✓		
More indirect – major roads, large energy projects				✓			
Macro-level							
Macro-economic reform			✓	✓	✓		
Governance			✓	✓	✓		
Environment				✓	✓		

Sector/ intervention supported	CIDA	DANIDA	DFID	EC	World Bank	UNICEF	ILO-IPEC
Other							
General budget support	✓	✓	✓	✓	✓		
NGO/community development support	✓	✓	✓	✓	✓		
Humanitarian							
Poverty analysis			✓		✓		

* for example, financing of exemption schemes for payments for healthcare for under-5s or pregnant women.

** for example, those living on streets, working, orphaned by HIV/AIDS.

Whether the investment in these areas is significant and is likely to have a positive impact on the lives of poor children depends on a range of factors:

- The scale of donor support to different poverty reduction activities, related to the size of the aid budgets of the agencies (as described in section 2.1) and their relative prioritisation of particular sectors.

Budget allocations to health and education

Differences in scale

- Unsurprisingly, World Bank investment is significant. It is channelling \$78 million through the pipeline (that is planned, at the time of research) Education Sector Development Programme in Ghana, and \$150 million to Primary Education in Tanzania. In health, it supports the Ghanaian Health Sector Programme with \$89.6 million between 2003 and 2007, and an AIDS response project with \$25 million; in Tanzania, the health sector receives \$65 million and AIDS multi-sectoral programmes receives \$70 million.
- UNICEF, on the other hand, despite actively working to tackle childhood poverty in a range of areas, has a TOTAL budget of 60 million for 2001 to 2005 in Ghana⁵⁵ - \$17 million of which come from its 'regular resources' and \$43 million from other resources, largely other donors.

Proportion of donor budgets allocated to health and education

- DFID in Ghana allocates more than half its budget to health and education. Health and education sector programme support of £40 million and £50 million respectively, plus £20 million for HIV/AIDS programmes together account for a total of 51.6 per cent of DFID's total budget to Ghana worth £213 million proposed for 2002-5.
- SIDA in Tanzania estimates that 30 per cent of their budget in 2001 went to social sectors (SIDA, n.d).

- The policies supported and promoted, discussed in more detail in Marcus and Marshall, (2004) and outlined in appendix 3. These include:
 - whether state provision of key basic services is prioritised and whether services are free at point of use, both critical policies for achieving equity and children's wellbeing (Mehrotra, 2004; Save the Children 2003);
 - whether macro-economic policies are promoted that allow sufficient budget allocation to maintain and develop the social sectors;
 - whether economic policies are encouraged that are proven to protect and promote the livelihoods of those households living in poverty.

For example, concerns have been raised by civil society in both countries that current macro-economic policy frameworks being promoted, or condoned, by donors are leading to increased inequality (eg NGO Policy Forum, 2004).

- What is being supported: hardware (such as classrooms and clinics) and software (doctors, teachers, training); upstream reform (such as reforming public sector management) and downstream support for implementation (targeted support for school development or particular training programmes). In Ghana, for example, sector ministry officials were concerned that too much donor investment focused on more tangible hardware provision at the expense of training.
- The mechanisms through which the aid is channelled, and the extent to which aid is harmonised and aligned with government policy and national procedures. This is discussed in section 4.

Finally, when considering the ways in which they support poverty reduction for children and young people, donors should consider more than just their aid allocations. It should be remembered that donors are players in a global economic system rather than just disbursers of aid. They have trade agreements with Ghana and Tanzania and donor-country-based multinational companies invest in both countries. One NGO interviewee in Ghana drew attention to their belief that discussions on aid allocations detract from the bigger issue of the need for fairer trade for the benefit of all, young and old.

4. Donors and aid mechanisms for tackling childhood poverty: progress with aid effectiveness in Ghana and Tanzania?

The ways donors operate and disburse aid to a country, as well as their choice of sectors and activities for assistance, are important for their potential to reduce childhood poverty.

As mentioned above, making aid more effective through harmonisation and alignment efforts, as well as changing aid mechanisms, is now high on the agendas of donors, governments and others in Ghana and Tanzania (see Box 3 for a clarification of aid effectiveness, harmonisation and modalities). Arguably, more progress is being made in these countries than in many others, such as poor Asian post-socialist countries, for example (Marcus and Marshall, 2004). Despite a number of aid mechanisms available to donors, outlined in Table 5 below, attention in both Ghana and Tanzania is firmly on the use of general budget support and sector wide approaches.⁵⁶ Each country has developed a Multi-Donor Budget Support mechanism that funds the Poverty Reduction Strategy, and has strong links to the World Bank's Poverty Reduction Support Credit and other lending activities. They have well-established SWAs for health and fledgling SWAs in other sectors. Whatever their preferred modality choices, all donors, though some more than others, are increasingly involved in a range of harmonisation and co-ordination activities. These include regular aid co-ordination meetings, Consultative Group (CG) meetings now held in Accra and Dar es Salaam, co-ordinated missions to monitor programmes, co-funded initiatives and more streamlined procedures that work through government systems.

This section asks whether aspects of the evolving 'architecture' of aid in Ghana and Tanzania are making aid more effective for children and young people living in poverty.⁵⁷ It reflects on: whether key aid mechanisms and practices are having positive *systemic effects* on national capacity for sustained poverty reduction; whether aid is responding to locally determined priorities and whether, if aid mechanisms are targeted, they reach sectors or activities that will benefit children in poverty, considering whether the level at which a mechanism operates (eg macro or micro) seems to be affecting whether children are reached.

These themes will be explored in more detail for different mechanisms. Although debt relief is clearly an important issue, particularly for civil society and government in both countries,⁵⁸ it will not be considered in this report. Here, the focus is on key aid instruments: poverty reduction budget support, particularly the use of the PRBS/MDBS, Sector Wide Approaches and projects, which are still a popular modality in both countries.

⁵⁶ That is not to say aid disbursement and dialogue is limited to these two mechanisms. All of the aid forms in Table 5 are in use in both countries and all individual donors in the same country use several at the same time.

⁵⁷ Rogerson (2004) gives a useful overview of the new aid agenda and some of the broader concerns held by observers and actors.

⁵⁸ Some concerns were raised during this study: eg the conditionality seen by many to be blocking Ghana's progress to completion point, the impact of continued use of loans on debt stocks despite achieving HIPC debt relief in Tanzania.

Box 3 Aid effectiveness, harmonisation and modalities

Generally, moves to make aid more effective have involved donors rethinking which countries and regions they support and making changes to: the objectives of the assistance; the terms on which it is given;⁵⁹ how it is disbursed; the donor-recipient relationships for controlling aid allocations; what aid supports and how; and what it purchases. Changing aid disbursement, donor-recipient relationships and what aid supports are all integral aims of broad 'aid harmonisation and alignment' efforts, formalised in Rome in 2003 (High level forum, 2003). These efforts involve:

- harmonisation of aid with national procedures - for example, use of government budgeting, procurement, monitoring and reporting procedures;
- donor aid alignment with national (or nationally 'owned') policies and policy frameworks;
- increased co-ordination between donor agencies.

Certain aid modalities – eg projects, budget support or debt relief – are intrinsically related to aid harmonisation efforts. General budget support, for example, involves multi-donor financing mechanisms and alignment with the PRS (see Box 4). Table 5 outlines a continuum of different aid modalities – from project-based to programmatic aid, with differing levels of harmonisation, earmarking and conditionality.

Table 5 The choice of aid modalities: characteristics of the main aid forms

Modality	Conditionality	Earmarking	Accountability	Example in Tanzania
Balance of payments support	Macro	None	None	IMF PRGF
Aid-financed debt relief	Macro and budget	Usually none	Government systems	HIPC
General budgetary support	Macro and budget	None or nominal	Government systems	Bilaterals support to PRBS
Sector budget support	Sectoral	On-budget to sector	Government systems	DANIDA support to health SWAp
Sector earmarked	Sectoral	Off-budget within sector - usually basket funding	Blend of government and donor systems	Multi donor support for PPA 2001-3
Projects using govt systems	(Sector and) project	Project	Blend of government and donor systems	
Projects using parallel systems	Limited: low government ownership	Totally earmarked	Donor	Some JICA, EU roads projects

Adapted from DFID (2003b, which was adapted from Foster and Leavy, 2001).

⁵⁹ Terms of disbursement can be either loans or grants.

4.1 Poverty reduction budget support

4.1.1 Budget support: rhetoric or reality?

'New' budget support (Box 4) is more advanced in Tanzania than in Ghana. The Tanzanian Poverty Reduction Budget Support (PRBS) mechanism was set up in 2000, evolving from the Multilateral Debt Fund established by bilateral agencies in 1997. The Performance Assessment Framework (PAF) sets out agreed benchmarks for achievement (URT, 2003a; URT, 2001d). The World Bank's Poverty Reduction Support Credit (PRSC) mechanism,⁶⁰ that was finalised in 2003 to span 2003/04 for the first credit, is now harmonised (although not combined) with the PAF and review process, to form a common budget support framework called the PRBS-PRSC.⁶¹

Meanwhile, the Ghana Multi-Donor Budget Support mechanism was established in 2003, after the GPRS was finalised. Co-ordination between the World Bank and other donors appears to have been greater in Ghana from the outset, as a result of, amongst other factors, progress made with the World Bank-led Comprehensive Development Framework. In September 2003, the Vice President of the World Bank in Africa publicly stated: 'the World Bank is keen to support the multi donor budget support mechanisms...[in] countries that have effective budget and financial management systems in place and...will use the resources effectively and accountably. The World Bank believes Ghana is ready.'⁶² The PRSC, also finalised in Ghana in 2003, was integrated with the MDDBS from its conception. Whereas in Tanzania, the World Bank's PRSC conditionality was combined with multi-donor PRBS conditionality, in Ghana all donors appear to be lining up behind the World Bank's PRSC conditionality and the IMF approves release of the tranches of funds. Both countries have multi-stakeholder Public Expenditure Reviews that include donor involvement to monitor poverty expenditure.

As with donor allocations to particular activities, it is very difficult to track which funds are channelled as budget support and to make comparisons between donors. At a national level, data are being improved: in Tanzania, for example, the Ministry of Finance has vastly improved its aid flow monitoring with the development of the Integrated Financial Management System. Despite information constraints, the significance of budget support can still be acknowledged. At a macro-level in Tanzania, commitments for the PRBS for 2002/3 amounted to \$165 million in December 2002, equivalent to just under 25 per cent of recurrent expenditure in

60 The PRSC is IDA's new, poverty reduction-oriented adjustment lending facility designed to support the implementation of the PRSP. Tanzania's (in the pipeline at the time of printing) PRSC-2 is intended to close the gap between the cost of implementing key elements of the PRS and resources available from government's own domestic revenue and other donor support (World Bank, 2003a).

61 Consultative Group, 2002; Courtenage, personal communication, Dar es Salaam 2004.

62 Callisto Madavo, World Bank Vice President for Africa, speaking at the Second Development Dialogue Series 'The GPRS and Multi-Donor Budget Support (MDDBS): Strengthening the links of Accountability', 23 May 2003, Accra, Ghana.

the priority sectors (Consultative Group, 2002). In 2003/4, the World Bank's new adjustment loan, the PRSC, worth \$132 million, significantly increased the total budget support for PRS implementation – and the second PRSC is set to rise to \$150 million (World Bank, 2003a, 2003b). Increasing amounts of aid are being channelled through budget support which now accounts for over one-third of aid to Tanzania, up from 26 per cent in 2001/2.⁶³

Box 4 'New' general budget support

The recent form of budget support is often termed 'new' budget support. It is, at least in principle, multi-donor, emphasises partnership with government and, importantly, focuses on poverty reduction, explicitly the government-owned PRSP (OPML, 2002). Sector budget support is still used by many donors but 'general' budget support is at the top of the agenda in Ghana and Tanzania. Within this category, 'funds may be nominally accounted for against certain sectors, but there is no formal limitation on where funds may actually be spent'; as suggested in Table 5, 'any conditionality focuse[s] on policy measures related to overall budget priorities' (DFID, 2001 in OPML, 2002: 11).

More generally, budget support is in the form of programme aid that contributes to the government budget, rather than supporting payments for imports or relieving debt, and as such focuses donor attention more on budgeting and financial management procedures and key areas of expenditure.⁶⁴ It is not actually a new aid modality but since the late 1990s, it has become a more important aid instrument for bilateral and multilateral donors in countries perceived to be 'good performers' such as Tanzania and, to a lesser extent, Ghana. Its rise in importance is part of the ongoing shift away from projects towards programme aid. Within programme aid, it is part of the shift away from the provision of foreign exchange to support the purchase of imports and, the supposed shift away from the use of *ex ante* (pre-project/programme) conditionality.⁶⁵

In Ghana, Government figures (in Table 6) suggest that programmatic aid is generally more significant in Ghana than in Tanzania – perhaps unsurprising given the relative importance of the World Bank, IMF and African Development Bank in Ghana. Project loans and grants totalled an estimated 3080 billion cedis in 2003; programme grants and loans amounted to 2364 billion cedis plus debt relief (classified under HIPC and Exceptional Financing in the table). There was a bigger increase in programme grants and loans (which includes budget support) than in project funding between 2002 and 2003, particularly for programme loans that increased almost seven-fold from 159.6 to 1097.3 billion cedis. This increase in programme aid is likely to represent an increase in budget support: it includes, for example, the World Bank's PRSC which

63 In 2001/2, budget support accounted for 26 per cent of aid, in 2002/3 it was 28 per cent, a projected 30 per cent in 2003/4, and 34 per cent in 2004/5 (Courtenage, personal communication, 2004).

64 The links between debt relief and budget support are strong in HIPC countries where the PRSP is a focal point for both. White and Dijkstra (2003) describe programme aid modalities (budget support, balance of payment support and debt relief).

65 World Bank (1999) promotes the need to move away from *ex ante* conditionality following reviews suggesting that setting policy conditions pre-project/reform had not been effective for encouraging reform. Killick (2004) discusses the IFIs' and other donors' continued use of conditionality, despite rhetoric to the contrary.

added \$125 million budget support for PRS implementation in 2003/4.⁶⁶ Budget support disbursements, through the MDBS including this first World Bank PRSC, in 2003, totalled 245.2 million dollars, some 40 per cent of ODA.⁶⁷

There is little doubt that budget support *is* a reality. Donors in both countries, at least officially, are keen to increase their use of the mechanism, although all involved in the arrangements are aware that its further growth in importance over the coming years will depend upon a range of factors. The macro-economic and governance situations in each country and the outcome of both countries' imminent elections, will be vital. Whether PRS implementation and revisions in both countries are judged to be more or less pro-poor and effective should also be instrumental. Although this seems unlikely, recipient countries and donors could still reject budget support use in favour of other modalities.

4.1.2 Budget support: who is promoting its use?

In both countries, there are still donors either not committing at all, or not committing very much, to budget support. As one donor representative said: 'Donors are not going to give up their flags that easily.'

Table 6 Ghana: Medium-term expenditure framework (2002-2006) total receipts (billions of Cedis)

Item	2002 Actual	2003 Provisional	2004 Budget	2005 Projected	2006 Projected
Total Revenue	8,799.9	13,742.8	17,371.8	20,097.0	21,940.8
Divestiture receipts	10.9	421.4	426.8	0.0	0.0
Net domestic financing	2,331.7	-228.9	-1,732.2	-2,269.5	-2,237.7
Savings due to inflation-indexed bonds	194.0	0.0	180.4	133.1	117.6
Total grants	1,523.9	3,118.8	3,053.8	2,924.9	2,994.2
Project grants	466.4	1,036.8	870.7	904.7	931.3
Programme grants	558.3	1,266.6	1,188.0	955.5	983.6
HIPC assistance	499.2	815.4	995.1	1,064.8	1,079.3
Other external support	2,586.7	4,943.6	5,552.2	5,659.0	5,301.7
Project loans	1,185.1	2,043.4	1,621.5	1,684.7	1,845.6
Programme loans	159.6	1,097.3	980.0	1,018.3	1,048.2
Exceptional financing	1,242.0	1,802.9	2,950.7	2,956.0	2,407.9
Total receipts	15,447.0	21,997.6	24,853.0	26,544.6	28,122.6
Revenue and grants	10,323.8	16,861.6	20,425.7	23,021.9	24,941.0

Source: GoG (2004).

⁶⁶ Improved reporting (more aid registered as 'on-budget') might account for some of the increases shown 02-03.

⁶⁷ MDBS source, personal communication, Accra, 2004

The US,⁶⁸ France and the UN system, for example, all remain for different reasons committed to other modalities, including UNDP which plays a lead role in aid co-ordination. In Ghana, the US, France, Italy and Japan are all observers during the deliberations of the MDBS meetings. Japan in particular is showing some signs of changing: in 2002, an estimated 3 per cent of Japan's \$100 million ODA was committed as budget support to Tanzania as their pilot country for programme aid.⁶⁹ But even those bilaterals and multilaterals which are most vocal about budget support in practice maintain a high number of funding lines, including both budget support channels and projects. The World Bank, as of June 2003, had \$1.4 billion worth of funding committed to Tanzania across 12 sectors; the PRSC-1 was just over 9 per cent of this total.⁷⁰ In Ghana, the World Bank, despite taking the early lead with the MDBS and working through a PRSC, recently targeted new assistance at an urban water rehabilitation project outside the MDBS.

The European agencies have been particularly strong champions of budget support in both countries, as have the multilateral development banks. These include the Netherlands, UK, Denmark, Switzerland and EU (in both countries), Sweden, Norway, Ireland, and Finland (in Tanzania only), Germany (in Ghana only), Canada and the World Bank (in both), and the African Development Bank (in Ghana only).⁷¹ Donor contribution estimates vary but even Japan, renowned for its project approach, contributes to the PRBS in Tanzania as part of its aid co-ordination test model there. Of all donors, however, DFID has perhaps been the most vocal proponent and the most willing to commit resources, taking calculated risks based on a strong belief in the principles behind budget support. In Tanzania in 2001/2, it channelled some 64 per cent of its £70 million development assistance (ie £45 million or over \$70 million) through budget support.⁷² The total UK ODA being channelled through budget support will increase to £75 million by 2005/6: DFID 'aims to increase financial assistance in the form of direct budget support...working with government to mitigate associated risks' (DFID, 2003a: 19)⁷³. In Ghana, DFID and the World Bank, are the key proponents. Although the DFID (pre-MDDBS) strategy paper only commits it to possible absorption of existing commitments over the lifetime of the Country Assistance Plan, it disbursed \$52 million through the MDDBS in 2003.⁷⁴ In

68 USAID's constitutional arrangements prevent it using budget support, but the emergence of the MCA, for which Ghana is eligible, could change the modalities used by the US. These were still developing at the time of writing this paper.

69 Enoki, interviewed Dar es Salaam, June 2002.

70 The PRSC time-frame ran from June 2003 to June 2004.

71 URT, 2001d; Ronsholt, 2002; Courtenage personal communication, 2004; MDDBS contact, personal communication, Accra, 2004.

72 Sergeant, personal communication, Dar es Salaam, 2001. Figures calculated using £1: \$1.6, the accepted approximate dollar exchange rate in 2001/2.

73 Mitigating these risks involves more direct funding for government reform programmes.

74 MDDBS source, personal communication, Accra, 2004

Ghana, as noted above, the World Bank plays a strong role in the MDBS, as does the EU, which channelled \$42 million through MDBS in 2003. Each of the nine agencies involved rotates as chair.

4.1.3 Budget support: strengthening national systems?

Historically, in Ghana, as elsewhere:

donor behaviour has undermined core government management systems by bypassing them, using up scarce time and capacity through bilateral discussions and separate procedures and created islands of excellence against a background of limited recurrent resources, rather than facilitating broad-based improvements and longer term impacts (Save the Children/ISODEC, 2002: 34)

Budget support is promoted as an important mechanism for facilitating these broad-based achievements and longer-term impacts. Rather than bypassing and undermining national assessment, budgeting, implementation, monitoring, accounting and reporting procedures by setting up parallel project systems, the principle of budget support is to *work through national procedures*, including the donor-supported medium term expenditure frameworks (MTEFs).

Through doing so, both donors and, particularly, recipients, who were wasting time and resources on such parallel systems, should *reduce transaction costs*. The World Bank representative in Tanzania, among others – including, no doubt, the Ministry of Finance which received some 1000 missions in 2001 alone⁷⁵ - hopes that budget support will have ‘a direct impact on poverty reduction as it frees everyone’s time up to focus on the task in hand’.⁷⁶ Although mechanisms like the PRBS/PRSC or MDBS do involve a set of agreements on disbursement and reporting, the donor co-ordination that the mechanism allows should reduce the number of missions that the MoF receives and reports they have to prepare.

Despite the significant progress that has clearly been made in both Ghana and Tanzania, there are three broad concerns:

- More progress could be made, particularly by those donors who work predominantly through ‘stand-alone’ projects. The total percentage of all aid being channelled through projects in Tanzania has fallen from 69 per cent in 2001/2 to 62 per cent in 2003/4, but projects are still more widely used than other modalities. In Ghana, project aid, as noted above, is less significant: some 38 per cent of all grants and other external financing (GoG,

⁷⁵ Observers’ estimates, Dar es Salaam, 2001. The Government of Tanzania now schedules up to four months of ‘quiet time’ each year during which donors are requested not to plan missions.

⁷⁶ Ndulu, interviewed Dar es Salaam, June 2002.

2004). If donors, such as USAID, who work through projects are also less engaged in broader co-ordination and alignment work, the implications for undermining national capacity are greater.

- Whether using budget support is actually having positive ‘systemic effects’ and reducing transaction costs, is as yet unknown (Killick, 2004).⁷⁷ In both countries, some central government officials feel that the demands of donors are actually greater now – this is likely to be due to the fact that interviews were held with those who bear the burden of the greater focus on central government plans and systems which budget support brings. This can particularly be the case when donors channel sector budget support through joint funding mechanisms (or ‘basket funds’) to fund SWAps (see section 4.2). It is also of concern that some donors still seem unwilling to give up control over certain aspects of assistance. For example, in both countries, some donors interviewed remained concerned about their ability to track the impact of ‘their’ money, despite the progress made with poverty monitoring and agreements on harmonisation. Some of the ‘vertical funds’ discussed in section 4.3 also require governments to prioritise particular activities and have led to a situation, for example, where government financial sub-accounts for spending on HIV are kept but not accounts for the whole health sector.
- Aside from the systemic effects, the poverty reduction benefits of ‘freeing up’ resources are, of course, dependent on the activities and expenditures for which the freed up resources are used.

This is not to say that the short-term costs of establishing the processes and mechanisms related to budget support are not worth the medium- to long-term gains. To make aid more effective for all people living in poverty, transaction costs must be reduced; budget support, together with more general aid harmonisation efforts, is an important step forward in this regard.

4.1.4 Budget support’s systemic effects: increased reliability of aid?

Budget support should also encourage the development of national systems for sustained poverty reduction through *increased reliability of aid flows*. Unreliable flows make planning and sustained implementation extremely difficult.⁷⁸ This is particularly important for children because in Ghana and Tanzania, as elsewhere, much PRS-focused spending and sector assistance has been on health and education; budget support is far more likely to be used for recurrent expenditures such as salaries and running costs for the sectors than project aid. Therefore, if this aid is not reliable, this undermines the systems for basic service provision for children and their communities. Key characteristics of ‘new’ budget support, whether general or sector-oriented, are

⁷⁷ For example, an evaluation of General Budget Support to date by DFID is underway, to be finished in 2005.

⁷⁸ For better planning, aid flows need to be predictable (ie recipients need to know how much will be released and when) and less volatile (ie less susceptible to, for example, political decisions such as changing governments).

its ability to provide untied budgetary resources within a medium- or long-term time-frame, and to improve the predictability of funding (OPML, 2002). Three concerns arise:

- At the moment, most donors prefer to keep re-agreeing their budget support each year. This is how it is proposed that World Bank PRSCs operate, with each year's PRSC building on the previous year's (World Bank, 2004, 2003a); this, however, also giving Bank staff a chance to terminate if policies or implementation go 'off track'. DFID stands out as one of those more willing to make three-year commitments. Its latest Country Assistance Plan for Tanzania (DFID, 2003a) commits its country assistance to budget support worth £200 million – over \$350 million⁷⁹ - to April 2006.
- Programme support is particularly susceptible to politically motivated freezes and cuts (White, 1999). Tensions over the purchase of an expensive (and British-made) radar and a presidential jet by the Government of Tanzania in 2002 demonstrated the susceptibility of programme aid: UK budget support was frozen for a short while.
- There is a danger that as donors co-ordinate around more streamlined conditionality, multi-donor budget support could be turned on and off. It was encouraging therefore that, in their 2004 mid-year review of Tanzania's PRBS/PRSC, donors recommended that *'other disbursements planned for the release by the start of 2004/05 should not be withheld'* despite the decision taken by the World Bank to delay its PRSC-2 due to certain required actions still being incomplete (Ministry of Finance, 2004, draft, original authors' italics).

Whilst some agreements with donors on triggers for aid release are inevitable, even desirable, all donors need to be acutely aware of the implications for key basic services of freezing such large flows of aid.

A final systemic effect of untied budget support should be the strengthening of national decision-making processes – eg through Parliament – and government accountability to their citizens rather than external actors. This is clearly related to the potential of budget support to respond to locally identified priorities.

4.1.5 Responding to locally identified priorities: the problem of conditionality

There is now widespread recognition that poverty affects different people differently in different places and that solutions are unlikely to be effective if imposed by external actors, particularly those working to one-size-fits-all solutions. General budget support should be a major step towards making resources far more responsive to national contexts and local conditions of

79 February 2004 rate of 1.82 USD to 1 GBP.

children, their families and communities – as well as supporting the local economy since spending is not tied to foreign imports. This is reinforced by the inherent links between poverty reduction budget support and the poverty reduction strategies that emphasise nationally ‘owned’ strategies and inclusive local policy-making and resource allocation.⁸⁰ At a sector level, sector budget support is aligned with national sector development plans (see below).

However, major improvements are required before budget support really funds locally identified priorities. One is in the area of conditionality. The Tanzanian Performance Assessment Framework for the PRBS/PRSC does focus its conditions on improving systems for poverty monitoring, budgeting and reporting in general, and improving the effectiveness of the delivery of public services for minimising resource leakage (URT, 2003a). Just as there are advantages for children where social sector spending has been increased as a condition of debt relief in recent years, many conditions of the PRBS/PRSC could have a positive impact on the national systems providing for children. However, the number and content of conditions can constrain the national *room for manoeuvre* in policy setting, as well as having potentially harmful effects on poverty reduction:

- In Tanzania, the Performance Assessment Framework (PAF) outlines some 65 PAF actions that were to have been completed in the year up to March 2004 – up from 28 in 2001/2, in part due to the inclusion of PRSC actions (URT, 2001d, 2003a). More broadly, some respondents in both countries suggested that, rather than reducing the areas of conditionality, the PRSP has actually brought many more aspects of government under the scrutiny of donors.
- The content of some of the conditionality is also worrying. Some conditions in both countries are related to more contentious policy areas, such as land, trade, procurement, and the IMF’s agreements for macro-economic stability.⁸¹

Aside from the conditionality issues mentioned above, there is also room for improvement in other areas:

- Many observers and stakeholders in Ghana and Tanzania felt that PRSPs are not realising their potential of responding to locally identified priorities – although the opening up of some political space is acknowledged.⁸² Involvement of sector ministries and local

80 Donors aim that their funds support the implementation of the strategy in both countries and partly ensure this by drawing on broad PRS objectives for their ‘triggers’ or ‘actions’ for the budget support mechanisms.

81 In Tanzania, the PAF requires the implementation of the debated Land Act and Village Land Act, and emphasises the need to reduce the trade gap; in Ghana, a key trigger was the National Procurement Act that opened up procurement to external contractors and suppliers (URT, 2003a; MDBS source, personal communication, Accra, 2004).

82 Participation in and national ownership of PRSPs have been well debated, eg Christian Aid, 2001; Craig and Porter, 2002. The latter describe PRSPs as ‘an attempt to generate a level of global to local integration, discipline and technical management of marginal economies, governance and populations unprecedented since colonial times’ (Craig and Porter, 2002: 4).

government authorities in both countries' first PRSP processes has been weak. And in 2002, civil society organisations and other observers in both Ghana and Tanzania were concerned that strategies and plans that were seen to be more broadly nationally 'owned', such as the National Poverty Eradication Plan in Tanzania and Vision 2020 in Ghana, had been sidelined by the PRS.⁸³ Currently in Tanzania, much wider national ownership of the content of the second generation PRS is one of the key issues on the agenda, and initiatives are underway to try to ensure popular understanding and contribution to the strategies this time around.⁸⁴

- Donor technical assistance in PRSP processes is still highly influential; conditionality is not the only means by which national policies and resource allocation are influenced by external actors. Gould and Ojanen (2003: 7) and the author's own experience of working in anti-poverty policy processes in Tanzania, point to the existence of a 'transnational policy elite' who, at least in the early stages, dominated the PRS and poverty monitoring debates.
- Much social development technical assistance in particular has been in areas of benefit to children including health and education. NGOs working on children's issues in Ghana, however, believe that by focusing more at the macro-level with budget support, some of the donors exerting so much influence are increasingly remote from the reality on the ground, which is affecting the way in which poverty of children and young people is being addressed. Some donors, like the Scandinavians, use this need for learning from the grassroots as a reason to support SWAps and projects as well as general budget support.

4.1.6 Responding to children's priorities: marginalising the marginalised?

Section 2 notes that children's own participation in anti-poverty policy has to date been overlooked, despite the fact that young people can make a significant contribution to developing effective strategies to tackle poverty within PRSP processes (O'Malley, 2004). Some initiatives are underway, although much progress is still needed.⁸⁵ More directly related to budget support, however, is the situation of government agencies working for children. Budget support underlines the central role of the Ministry of Finance (or equivalent) in the current aid environment since it now allocates increasing proportions of external and domestic resources. Given that competition

83 In Ghana, this is partly due to the change of government's decision to rewrite the long-term plan; it is difficult to discern to what extent external pressures have influenced the situation.

84 The Vice President's Office, with support from the NGO Policy Forum has conducted a survey to collect people's views of progress to date and key activities for the next 3 years. Discussion has also been held about whether a locally designed, poverty-focused National Development Plan would be more locally 'owned' than the PRSP format (Alison Evans, personal communication, London, 2004).

85 For example, REPOA in Tanzania is leading a programme of research on and with children.

is high for these resources, 'the most effective lobbyists are the eventual beneficiaries'.⁸⁶ The current paradigm's focus on growth and macro-reform presents a particular challenge to those lobbyists working nationally to tackle issues like childhood poverty which is seen as a 'special interest'. It is vital that Government bodies and ministries who do have a seat in cabinet and/or in key meetings hold dialogue with policy-makers and donors in order to call for resources and draw attention to potentially negative impacts of other interventions on children and young people.

However, as described in section 2, those Government departments working for poor children are rarely well-placed to lobby effectively in this environment. For example, the apparent lack of engagement of the MCDWAC in Tanzania with the PRS early on, which was so crucial for resource allocation and lobbying for any comprehensive strategy to target childhood poverty, was worrying. By mid-2002, the Director responsible for children had not been to a policy forum with the World Bank, although they had had some interaction to consider policy impacts on children.⁸⁷ Section 2 referred to the capacity and resource problems facing the ministries with responsibilities for children in both countries. These departments are also the ones which are highly dependent on donor project funding and are therefore likely to be increasingly hit by the emphasis of many donors, although not UNICEF, on being 'responsive' to government priorities and visibly resisting working outside the PRS and related budgeting framework. Even key sectoral ministries raised concerns about losing direct control over donor resources with the rise in budget support. For the Director of Gender Development in 2002, budget support was an aid mechanism that would 'make life totally difficult' for a ministry that does not represent a core PRS sector.⁸⁸

Action to address this institutional issue is beyond the realms of budget support. However, donors need to be aware of this problem in two ways:

- As part of their assistance to strengthen national policy-making and budgeting systems, donors need to pay attention to the marginalised ministries and departments. UNICEF, for example, has been supporting MSWLY in Tanzania in their bid to engage with the PRS process.
- When analysing which aid instruments to use, donors need to consider whether they are reaching target groups by relying on budget support mechanisms or by applying a mix of modalities in the short- to medium-term.

86 Ghana government official, interviewed Accra, 2002.

87 Mangesho, interviewed Dar es Salaam, June 2002.

88 *ibid*

4.1.7 Budget support: reaching poor children?

While this report cannot adequately discuss whether resources are reaching children, three key questions need to be considered.

- ***Are the funds being allocated to sectors and programmes that will have a positive impact on the lives of children in poverty?*** Budget support, per se, is not tied to a particular sector nor is it, in and of itself, 'pro-poor'. However, given the strong links between budget support, PRSPs and debt relief, budget frameworks and expenditure review processes that monitor government spending (such as the HIPC tracking process in Ghana) do essentially ring-fence particular spending areas with a strong social sector focus. SIDA, one of the leading budget support proponents in Tanzania, believes that the protection given to the social sectors through the PRSP and PRBS will significantly contribute to poverty reduction in Tanzania. They stress that this focus on health, education and water will be 'of particular benefit to women and children' (SIDA, 2000a: 20). Social sectors do seem to have seen an increase in their budgets at national level. In Ghana, for example, budgetary allocations to the social sectors increased from 32.15 per cent in 2003 to 38.8 per cent in 2004. And resources do appear to be reaching service delivery points: in Tanzania education services at a grassroots level, are receiving increased resources, according to NGO network, TEN/MET (2004). Furthermore, working at a macro-level through budget support does keep government and particularly donors focused on supporting all aspects of national health systems, for example, rather than on a set of projects or only those issues under the control of the Ministry of Health. This is important progress. The cause-effect of budget support and increased access to, for example, education and health services are difficult to determine. Moreover, there is still much progress to make in ensuring that budget increases are used well.
- ***Does the macro-economic framework underpinning budget support and PRSPs undermine progress in key services?*** One of the major 'triggers' for continued flow of both Tanzania and Ghana's multi-donor budget support mechanisms is the need for the countries to stay on track with their Poverty Reduction Growth Facility (PRGF) loans from the IMF's adjustment lending programme. While maintaining macro-economic stability is vital for sustained broad poverty reduction, the PRGF framework contains neo-liberal policies that have had, at best, mixed results in terms of poverty reduction worldwide; moreover, they are essentially prepared behind closed doors without adequate assessment of the impact on the poor.⁸⁹ Different donors have, over time, linked their programme

⁸⁹ Although the recent establishment of a Poverty and Social Impact Analysis (PSIA) unit within the IMF gives some hope of change, the IMF is still lagging behind the World Bank in its uptake of PSIA on major policy reforms and appears resistant to many calls for the analyses to consider policy options and to involve a range of stakeholders nationally.

aid, though not necessarily their project aid, to IFI conditionality: conditionality used by the UK in particular, has been "always linked to IFI programmes" (White, 1999: 33). The PRBS/PRCS and MDBS in Tanzania and Ghana now reinforces the links between IFI conditionality and bilateral donor support. Bilateral donors who are strongly committed to social development and poverty reduction, such as UK, Sweden and Denmark, should distance themselves from economic policy conditionality that is likely to have negative effects on poor children. Furthermore, they should use their position within these joint funding mechanisms to put pressure on the IFIs to reconsider their use of conditionality and, at the very least, assess the impact of such policies on the poor.

- ***Is implementation capacity assumed?*** UNICEF, for example, can not use budget support because as an agency it 'must see children getting their fair share'⁹⁰ – implying that this is not yet evident through budget support. For budget support to reach the poor, donors rely on systems effectively allocating, disbursing, spending and accounting for the national budget. However, the weak state of these systems often means money allocated is not reaching communities on the ground: therefore, budget support may not be addressing more short- to medium-term needs. This is critical as childhood is a one-off window of opportunity for development. As one donor representative said of poverty reduction in Ghana, 'low incomes and a lack of infrastructure at the micro-level and inefficient systems at the macro-level have resulted in a situation that is not pro-poor; wholesale budget support is not going to resolve the situation.' The World Bank and others in both Ghana and Tanzania are clearly aware of this, given the focus of their assistance on, for example, supporting public administration and expenditure management. Strengthening these areas takes time, and 'efficiency in terms of centralised information should not be at the expense of addressing specific needs and guarantees that resources will go to vulnerable sections of the population'.⁹¹

Implementation of the PRS, that is linking PRS policy lines with sector policy and programmes, budgets, local government plans and actual activities to address the situation of marginalised groups, is still a major challenge in both countries despite donor support and the progress already made. There is an urgent need for recognition that resources will only reach children if sector systems and local government capacity are provided for: a critical recurrent costs' threshold must be reached and maintained. Local government capacity is a particularly crucial issue in both countries. A large proportion of development assistance is only addressing needs in the centralised ministries rather than addressing local capacity and implementation requirements. The focus on 'upstream' issues through the

90 Leach, interviewed Dar es Salaam, 2002.

91 Jones, interviewed Accra, 2002.

PRS and budget support in both countries appears to be diverting attention from some of these issues.

In response to this, SIDA in Tanzania, for example, sees budget support in conjunction with SWAp as its longer-term goal, but it also sees a need to retain a mixed approach with sub-sector and district programmes as well as well-defined projects in the short-term.⁹² DFID in Tanzania, however, has pulled its resources out of the Health SWAp on the grounds that it is channelling money through general budget support which covers the health sector. Equally in Ghana, some sources suggest there will be no need for sector-level support if MDBS takes off fully. Table 7 summarises the potential of budget support as an aid instrument for tackling childhood poverty. Overall, it is important that donors who are making large-scale and commendable efforts towards more effective aid through budget support ensure that they are not under-estimating the assistance required to lift the current generation of poor children out of poverty. In the short- to medium-term, donors need to work through a well-balanced, well-designed mix of mechanisms. Such a mix could still emphasise harmonisation of policy and procedures and aim for increased budget support as a medium- to long-term goal, but it would also enable the effective implementation of poverty reduction strategies and reach the more marginalised ministries and departments.

Table 7 Is budget support effective for tackling childhood poverty in Ghana and Tanzania?

For	Against
<ul style="list-style-type: none"> • Potential to reduce transaction costs for both recipient and donor • Encourages more reliable aid flows • Should strengthen domestic processes for budgeting, planning, reporting and accountability • Potential for responding to locally identified priorities; working through national decision-making systems and PRS is making some progress to promote this • Alignment with PRSP with emphasis on disaggregated poverty analysis, investment in social sectors, addressing vulnerability and holistic anti-poverty planning • Macro-level focus on public expenditure management and planning systems keeps government and donors focused on progress for whole sectors rather than their project areas • Processes provide opportunity for stakeholders to work together to set guidelines and tools to monitor whether budget is reaching poor children and whether systems are being developed as well as targets being reached. 	<ul style="list-style-type: none"> • Programme aid more 'freezable' and donor co-ordination around relatively few 'triggers' could mean co-ordinated aid freezes • Donor co-ordination is co-ordination around IFI conditionality • PRSPs to which budget support is linked are some way off being locally 'owned', well prioritised plans • Focus on MoF for channelling aid marginalises 'weak' Ministries responsible for children who prefer to get money directly from sympathetic donors • Poverty analysis and policy content of PRSPs for children could be much improved, including separating PRSPs from core neo-liberal economic policies that are not comprehensively assessed for their impact on poor children and their communities • Macro-level is important but implementation capacity should not be assumed.

92 Stodberg, interviewed Dar es Salaam, 2004; SIDAa, 2000.

4.2 Sector wide approaches

4.2.1 Donor support for SWAp

Fewer SWAps exist in Ghana and Tanzania than one might expect given the level of discussion about them; there is also still some confusion about what a SWAp constitutes (see Box 5). However, Ghana and Tanzania both have well-established SWAps in the health sector, with newer SWAps for education and agriculture, and one for roads in Ghana. In both countries, for many the term SWAp has become synonymous with a pooled sector funding or joint sector funding mechanism. In Tanzania, donors use a basket fund for funding the Health Sector Development Plan. This Health Sector Basket Fund works through the government system for accounting and management and is an increasingly popular channel for donor assistance. A newer pooled fund has been set up for Primary Education to fund the Primary Education Development Plan. Ghana's education and health sector SWAps, for example, are supported in different ways by 15 different donors with differing degrees of alignment and harmonisation, despite the fact that common methods for financial management, auditing, procurement, management of logistics and technical assistance have been developed (www.aidharmonization.org).

Donor involvement in SWAps is not consistent between sectors or between countries, although there are some common patterns. DANIDA and the Netherlands, for example, support the health SWAp in both countries. The EU supports the health SWAp in Ghana and the education SWAp in Tanzania, reflecting for each country the sectors where their portfolios have been strongest. The UK supports SWAps in Ghana but not Tanzania, where it has decided to put its money through general budget support rather than sector targeted programme aid, perhaps a sign of things to come in Ghana. Interestingly, DFID, as well as withdrawing financial resources from the health pooled fund, has also stated its aim to 'withdraw from sectorally-specific technical support, promoting a better division of labour with like-minded donors and supporting the United Nations Development Assistance Framework process' (DFID 2003a: 16). The World Bank supports both health and education SWAp pooled funds in Ghana, and only the health SWAp basket fund in Tanzania, preferring to work outside the pooled fund in the education sector. Other supporters of SWAps, who channel money through pooled funds, are the African Development Bank (eg education in Ghana) and CIDA (eg education in Tanzania). These other donors all seem less worried than DFID about the possible overlap with general budget support and see support for these SWAps as necessary for closer sector engagement.

Unsurprisingly, given their similar principles of alignment and co-ordination, similar donors find it difficult to work with the sector wide and more co-ordinated approach to sector assistance as face these problems with budget support. Those who find SWAps difficult notably include

USAID, UNDP, UNICEF and the UN system in general. In both countries, these donors, along with FAO, France, Germany, IFAD, WHO and Japan, claim to work within the SWAp's broad sector policy or programme, but continue to earmark their funds and use their preferred modalities. Japan in Tanzania is particularly inconsistent – in line with its gradual, rather than all-out use of programme aid. For example, it contributes to PRBS and, interestingly, is leading the agriculture SWAp, but does not support other pooled funds for sector support, such as in health.

Box 5 SWAps and sector programmes, sector budget support, sector expenditure programmes and sector investment programmes – any difference?

As suggested by its name, the term 'SWAp' involves donors and government taking a sector wide, as opposed to activity/project-specific, approach to the development of a particular sector. One donor representative in Tanzania described a SWAp as a move away from government and donors sitting opposite each other at the negotiation table towards a situation where the sector ministry and the donors sit together in debates with the Ministry of Finance. The context and principles are that of poverty reduction and multi-donor budget support: the desire for genuine partnership between donors and government, a move to improve donor co-ordination around a government-owned strategy and expenditure programme, and an intention to strengthen national institutional capacity (SIDA, 2000c; Ronsholt, 2002). Importantly, improving access to services by poor and marginalised groups was a strong or central objective of most SWAps reviewed by Foster and Mackintosh-Walker (2001). However, **a SWAp is not an aid modality** in itself. Some do use it synonymously with sector budget support, but this is not necessarily how a SWAp is financed.

A SWAp can be financed by a range of mechanisms. As documented by Booth and Mosely (2003) and White and Dijkstra (2003), there are different approaches (and corresponding confusion) to funding SWAps, all of which were noted in our discussions with donors and government in both Ghana and Tanzania.

- Some see them as a government-developed sector strategy and expenditure plan which donors buy into, whichever modality they are using.
- Some clearly see sector assistance through a SWAp as sector- or subsector-specific budget support, where funds are targeted through policy agreements. SIDA (2000c: 5), for example, develops sector programme support which 'adheres to and embraces the SWAp principles' and involves 'giv[ing] up conditionalities, earmarking funds and the focus on projects'.
- Commonly in Tanzania, many see SWAps as synonymous with pooled 'basket' funds (for specific activities, sub-sectors or whole sectors) which can focus attention on disbursement mechanisms rather than sector development.
- Some see it as a way of supplementing a more co-ordinated project-based approach with policy dialogue, with the understanding that stand-alone projects are less sustainable.

As a result, many terms (sector programmes, sector budget support, sector expenditure programmes, sector investment programmes, even SWAps) are often used interchangeably, although with different meanings. Practice can also differ between countries and sectors. In Tanzania and Ghana, the sector ministries still deal with a range of different forms of aid within their SWAps but the focus is on working towards budget support funded sector wide strategies.

The amount of aid being channelled through basket funds in Tanzania was 8 per cent in 2002/3 and 2003/4, but was predicted to drop in 2004/5.⁹³ This basket fund allocation does not necessarily represent sector-specific budget support, although it does for some donors. Despite the tensions between general and sector budget support, an increase in the application of sector wide approaches with expansion into other sectors looks likely in both countries, at least in the medium-term. There is, however, a long way to go before the principles and mechanisms are really understood and supported by all involved. In Ghana, social sector ministry representatives felt that they lacked information, and that there was still confusion about more recent aid mechanisms and their implications for their policies and programmes. The balance between sector development and donor emphasis on pooled funds is also yet to be established.

4.2.2 SWAPs: strengthening sector capacity for tackling poverty affecting children

SWAPs focus attention on strengthening sector level systems for the delivery of key services and programmes, vital for the sustainable implementation of poverty reduction strategies and for ensuring aid and domestic resources reach children. Increased harmonisation and alignment should increase aid effectiveness in sectors such as education and health that have historically been popular with a range of donor agencies. However, progress has been slow, depending on a range of factors on the side of both government and donors; but perhaps the pace has been more realistic given the number of different stakeholders and the state of the systems involved. Issues that arose during this study include:

- The mix of approaches still in operation within a particular sector. For example, health, the sector with the most well-established SWAp in Tanzania, has more projects in operation than any others, including projects funded by donors supporting the Health Basket Fund⁹⁴. A considerable amount of energy has been expended keeping all donors working in the sector involved.
- Particularly importantly, the additional demands of the SWAp and particularly the pooled fund. Many government sources and donors in both countries agreed with Ronsholt (2002: 13) who in Tanzania found that:

'many of the initiatives of establishing harmonised aid arrangements, eg through SWAPs and baskets, were themselves putting an additional burden on government capacity, particularly at central ministries...'

93 Courtenage, personal communication, Dar es Salaam, 2004.

94 Courtenage, personal communication, Dar es Salaam, 2004; Ronsholt, 2002.

The basket funding mechanisms set up in the health sector in Tanzania were frequently criticised. As one donor said, 'everyone is in with their own conditionalities so you end up with a mega project with 10 sets of conditionalities.'⁹⁵ There does seem to be a danger of donors focusing more on the modalities of joint funding mechanisms than on the desired outcomes for the sector and population.

- As with budget support, because donor influence is still great, government room-for-manoevre in policy choices, 'ownership' of strategies and plans, and control over allocation of resources can be questioned. The World Bank Representative in Ghana believes that World Bank involvement as a donor will decrease in time: 'a strong SWAp would reduce the role of the Bank.' It is taking a more pro-active role early on because of the 'need to ensure that the deprived get what they require.' Again, there is the need to find a balance between the need to influence in order to make the processes and policies more 'pro-poor' versus a desire to respond to locally identified priorities.

4.2.3 SWAps: financing pro-poor policy and pro-child work?

As with budget support, it is not possible to assess whether aid disbursed by donors working through a SWAp is actually reaching poor children – this needs further studies at different levels – from national to the point of service delivery and use. SWAps in both countries have certainly focused on sectors of critical importance for children in poverty. Ensuring that the services reach the poorest has been a key concern, such as the need to make Primary Education free in Tanzania and the focus on primary healthcare in Ghana.

Broad questions relate to:

- The pro-poor and pro-child nature of SWAps – far more concerns have been raised about the pro-poor nature of PRSPs than SWAps, and alignment of sector policy with the PRSPs is still ongoing. There is no claim that SWAps are pro-poor; their development pre-dates PRSPs and has been more incremental. In Ghana and Tanzania's health sectors, for example, the extent to which the SWAps are pro-poor differs. Ghana's health SWAp received positive reviews in a study in 2001⁹⁶ because maternal and child health are priority areas in the programme of work, donor aid will be addressing key concerns for children.⁹⁷ Meanwhile, the health SWAp in Tanzania was criticised for its focus on tertiary, rather than primary, healthcare that would have a greater impact on the lives of more poor children and families (Foster and Mackintosh-Walker, 2001).⁹⁸ Civil society organisations

95 Ann Stödberg, Counsellor, Development Co-operation, SIDA, Interview, June 2002.

96 Foster and Mackintosh-Walker (2001) provide a review of SWAps and poverty reduction.

97 Dr. Acquah, interviewed Accra, 2002.

98 This is not a fully convincing argument as accessible curative care can play a critical role in preventing health crises that impoverish families.

in Ghana in particular raised concerns that particular donor-supported policies, such as the charging of user fees for health, had been imposed on them by donors during SWAp processes.⁹⁹

- The need for a holistic approach to reach particular MDGs. UNICEF and SIDA, for example, raised concerns about the implications for children of the sectoral approach to the PRS taken in Tanzania. Can sector-specific SWAps really encourage the holistic thinking that is required to address the range of needs of children and adolescents? Early childhood development programmes, for example, need to be multi-sectoral, as do public health programmes. For example, collaboration between the Ministries of Health (with responsibility for sanitation) and of Water and Livestock Development (responsible for providing safe drinking water and wastewater) in Tanzania has been limited. It is unlikely that poor families will be able to sustain access to key basic services without both the demand-side (including households' ability to pay for the service or for school uniforms and materials) and supply-side (classrooms, teachers, etc) of service provision being addressed.

Table 8 summarises the potential of SWAps as aid instruments for tackling childhood poverty.

Table 8 Are sector wide approaches effective for tackling childhood poverty in Ghana and Tanzania?

More effective	Less effective
<ul style="list-style-type: none"> • Has started to co-ordinate, align and harmonise donor assistance in sectors such as health in which many donors work. • Focuses attention and resources on certain sectors, particularly social sectors, and on strengthening sector systems. • Some additional focus on 'pro-poor' sector development. 	<ul style="list-style-type: none"> • Additional burdens of basket/pooled funds. • Need to strengthen the macro institutional system within which sectors work as well. • There has been little co-ordination between sectors - a more holistic approach to poverty reduction (eg health and water) would cover supply and demand for basic services.

4.3 Projects and vertical funds

Much of the discussion about the advantages and disadvantages of project aid for tackling poverty affecting children has been covered above. However, it is worth considering whether the use of projects is actually a problem for tackling childhood poverty effectively. The recent ISODEC/Save the Children (2002) report notes that government officials in key sectors in Ghana voiced considerable support for the move away from stand-alone project-based interventions: this was supported in interviews with government officials in both countries.

⁹⁹ This is a symptom of donor interest in sector policy rather than them taking a sector wide approach.

4.3.1 Is just a better way of doing projects required?

Certain donors, both those who are known for their project-based support such as Japan, and others working with a more mixed portfolio like the World Bank, stress that what matters is how projects are carried out. If projects are designed using a nationally-generated information base, planned to fit with sector and other development programmes, and implemented without creating parallel management systems, then 'they are by no means perfect but they do not essentially undermine the poverty reduction agenda.'¹⁰⁰ Of course, many projects do not follow this advice. In 2002, JICA in Tanzania was covering the costs of the management systems it was creating, but still creating them. The EU Macro-Economist in Tanzania stated that for roads, 'it doesn't make sense to put the funds into the government budget; it's better to keep it separate and management should be project-related.'¹⁰¹ Although there is some logic for large-scale infrastructure schemes operating as projects, the likelihood of this approach to undermine local systems is still a problem. Furthermore, when these projects tie aid to purchases from particular countries, the local economy is undermined further.

However, UNICEF's rationale for working through projects - that it ensures the money reaches children - raises an important dilemma: how to reconcile a desire to work through government systems and a desire to target the poorest? Some government officials, largely from sectors that receive less donor support and benefit less from moves towards SWAs, such as Social Welfare and MoWAC (in Ghana) and MCDWAC (in Tanzania), were supportive of projects as they are a way of making funds readily available for particular groups, including children. As mentioned in section 2, this can reinforce the simplistic idea that a particular ministry is responsible for tackling child poverty or that 'doing' child poverty involves micro-projects that directly address children's needs. Other government officials, mostly from key social sectors, who fear losing control of budgets to the Ministry of Finance with the increase in general budget support, also saw projects as a way of making funds more readily available for use.

Balancing the views summarised in Tables 7, 8 and 9, we recommend a mix of approaches to reach poor children in the short- to medium- term, with a medium- to long-term goal of working through budget support for national control of decision making and resources.

¹⁰⁰ Professor Ndulu, World Bank Economist, Dar es Salaam, interviewed June 2002.

¹⁰¹ Schmidt, interviewed Dar es Salaam, 2002.

Table 9 Are projects effective for tackling childhood poverty in Ghana and Tanzania?

More effective	Less effective
<ul style="list-style-type: none"> • Better if they are more aligned with government policies and plans, supported by multiple donors and involve more harmonised procedures. • Micro-level operation means they can be easily targeted to particular groups, including poor children. 	<ul style="list-style-type: none"> • Still parallel structures, not addressing the macro systems that make a project more likely to be sustainable – and donor agendas still evident. • Projects to tackle broader children's issues have often been housed by one particular ministry.

4.3.2 A note on recent initiatives - vertical funds and the Millennium Challenge Account

Vertical funds are generally issue-specific global initiatives to inject funds into a particular set of activities or sector, such as malaria, TB and HIV/AIDS (eg Global Fund for Health) or education (Education For All – Fast Track Initiative), that requires urgent resources (see Box 6). These funds were not included in the primary research as they did not play a major role in 2002, but their increasing significance makes it important to mention them now. It is critical that these funds lead to lasting improvements for children – ie that they fund activities of particular importance to them (particularly those areas not covered by the funds themselves, such as public health) and strengthen national decision making and resource allocation systems in order to ensure sustainability. These national systems must be strengthened centrally and, importantly, within sector ministries.

The Millennium Challenge Account is the new US trust fund that countries that meet certain criteria can apply to for assistance. This form of US ODA could strengthen government control of a large amount of aid, and, if used for well-planned anti-poverty activities agreed within the PRS and sector policies, MCA funds could make an important contribution to poverty reduction for children. However, with two major, but separate, funding lines from the same government, and no explicit efforts to link up with the PRSP, the implications for aid harmonisation and alignment of the MCA are worrying.

Implementation of each of the initiatives must involve learning from the past mistakes of aid and striving to be more effective in the future.

Box 6 Some recent 'big' initiatives in aid**Examples of 'vertical' funds:**

- Ghana was endorsed as an **Education For All** - Fast Track Initiative country in late 2003, thereby qualifying for additional assistance for the sector, with a focus on primary education. Globally, political direction and oversight is provided by the Development Committee of the World Bank and the IMF, with the major partnership between the government and the local donor community in Ghana led by the World Bank.
- The **Global Health Fund** operates in both countries. In Tanzania, this goes through the government budget, through the Ministries of Finance and Health, but is earmarked to investment in HIV/AIDS, TB and malaria. Interestingly the government was resistant to a fund that did not reflect national priorities for the sector.
- Tanzania is eligible for the new US **President's Emergency Plan for AIDS (PEPFA)** that will focus on antiretrovirals, HIV prevention, care of orphans and others and strengthening health care systems.¹⁰²

Millennium Challenge Account:

- Ghana has recently been declared eligible for funds through the **US's Millennium Challenge Account**.¹⁰³ The Millennium Challenge Account is not managed through USAID: successful governments will submit proposals to the Millennium Challenge Corporation, under the US Secretary of State. The MCC specifies examples of areas that are directly tied to a country's productivity and economic growth that could be funded including 'agricultural development, education, enterprise and private sector development, governance, health, and trade capacity building', although decisions on specific MCA investments will be made on a country-by-country basis.¹⁰⁴ It is not yet clear what activities will be financed in Ghana.

4.4 Donor co-ordination more broadly – scope for donors to influence donors?

Efforts at aid co-ordination appear to offer some opportunities for donors to influence other key donors, with some effect. Following increased inter-donor dialogue, both ILO-IPEC and UNICEF in Ghana note some success in encouraging other donors, especially bilaterals, to take specific measures to deal with poverty among children; UNDAF highlights the UN's \$7 million of support to a girls' education programme in Ghana. UNICEF in Tanzania, through the Head of UNICEF's Analysis, Monitoring, Communications and Advocacy Unit, has played a key role in the establishment of the Poverty Monitoring System, poverty analysis and in anti-poverty policy more generally. UNICEF's influence was recognised by VPO and others for, for example,

102 <http://www.whitehouse.gov/infocus/hivaids>.

103 Eligibility is determined on the basis of 16 indicators in three themes: 'ruling justly' (good governance and levels of corruption), 'investing in people' (social sector spending as a proportion of GDP), and the degree of 'economic freedom'. (eg credit rating, days to start a business, trade policy, regulatory quality). All the indicators are assessed using publicly available data (eg from Freedom House, World Bank) by a private research company. See www.mca.gov for more information.

104 http://www.mca.gov/about_faq.html#11

the addition of child-focused indicators in the poverty monitoring system. Other more social-development-oriented agencies, such as DFID and SIDA, are well placed as influential actors to lobby for more investment in children and pro-poor economic policies that support family livelihoods, and they have had some success, particularly with regard to pro-poor economic policy. Arrangements for better aid co-ordination could provide more opportunities. For example, in Tanzania, the Development Partners Group (DPG) does not currently have a group that consider children's issues.

4.5 Channelling aid through NGOs in the current environment

Different donors have different approaches to NGOs, and the new aid environment brings new opportunities and challenges for civil society more broadly.

As was mentioned in section 3.4.2, grassroots organisations, or those with partners working at community level, are seen by all donors as important actors in tackling childhood poverty, often because they are able to identify pockets of need and reach some of the poorest groups in society. However, NGOs, like governments, do not always reach the poorest, albeit for different reasons. This is particularly important given the concerns raised above about the time necessary to build capacity so that budget support reaches the poorest. Donors also increasingly see NGOs as being able to bring lessons learnt on how to work effectively with marginalised groups to local government, sector and national level. Some donors, like DFID, stress NGOs' key role in monitoring the implementation and impact of anti-poverty policy and encouraging popular engagement in policy debate.

A range of issues are arising in Ghana and Tanzania, as elsewhere, including whether political space has really been opened up, civil society's ability to co-ordinate amid high, and perhaps unrealistic, expectations for them to do so, and organisations' capacity and desire to engage. The high donor dependency of many national NGOs working on children's issues in Ghana, for example, affects the types of projects they carry out, the issues they address and their ability to develop a strong advocacy base for engagement with PRS. They are either funded to carry out more service delivery work or they are reluctant to engage in political debate that might affect their ability to attract funding from a particular donor.

Larger, more policy-oriented NGOs have been able to secure the funds and positioning to engage in poverty debates in both countries, although these rarely look at the impact of policy on

children. A notable exception in Tanzania is Haki Elimu which secured a large grant for policy advocacy focused work in the primary education sub-sector. The legitimacy of international NGOs is being particularly challenged in the current aid climate. In Tanzania, Gould and Ojanen (2003: 7) include international NGOs in their 'trans-national policy elite', who have 'managed...to co-opt the narrow political space precariously occupied by those few domestic actors', although they recognise that these organisations would prefer to see national actors take the lead. The development of the NGO Policy Forum, led by local NGOs, and strongly supported by international NGOs like Save the Children, Care and ActionAid, has made progress in promoting national civil society engagement in the PRS. For DFID, international NGOs should be aligned with the PRS; its support to two international NGOs (Save the Children UK and WaterAid) over the past three years has arisen from these NGOs' support to sector development and national, largely PRS-related policy processes.

Donors are developing funding sources for national CSOs to develop more policy advocacy work: the Civil Society Foundation in Tanzania, now funded by a consortium of donors, offers small grants for NGOs engaging in policy advocacy work at different levels. Increasingly, NGOs and other CSOs are also being increasingly challenged to put their own house in order, in terms of their accountability and their own co-ordination with government policy and processes. For NGOs working to tackle childhood poverty to be effective advocates, based on their grassroots experience, it is critically important that they are independent from donors, rather than being dominated by contractual relationships with them.

5. Conclusions and recommendations: making aid to Ghana and Tanzania more effective for children in poverty

Tackling poverty affecting children and young people in Ghana and Tanzania, where one in ten and one in six children respectively die before their fifth birthday, is both a moral obligation and a critical strategy for breaking poverty cycles. Without tackling childhood poverty, the MDGs and broader poverty reduction targets, signed up to by national governments and donors alike, will not be reached; sustainable development will not be achieved.

5.1 Donor support for tackling childhood poverty

Many actors have a role to play in tackling childhood poverty: governments, civil society, research institutions, the private sector and international donors. With donors' increasing emphasis on responding to nationally-led policy priorities, working through the PRS and the use of general budget support in Ghana and Tanzania, the boundaries between international and national actions are increasingly blurred. However, donors still have significant influence over the policy agenda, aid still plays an important role in the economies of both countries and even those donors who promote 'responsiveness' still support sectors and programmes they perceive to be priorities. Therefore, it is still valid to draw some recommendations here that relate particularly to the role of donors.

- **All donors need to better understand and recognise the urgent and strategic need to tackle childhood poverty.** With the exception of UNICEF and SIDA, donor offices in Ghana and Tanzania did not explicitly prioritise the need to tackle poverty affecting the millions of children in both countries. Few could give a comprehensive definition that took a well thought-through and holistic approach. For example, although the situation of particularly vulnerable children should not be overlooked, donors should prioritise equity and disadvantage among all children. Donor representatives, therefore, need to understand the importance of addressing childhood poverty and practically how their assistance could tackle it better, through funding key sectors and activities. This includes:
 - the critical importance of social sector investment for young, school-aged and older children;
 - promotion, or at least protection, of family livelihoods;
 - broader macro-economic and governance reform;
 - support for those not benefiting from the reforms through well-resourced social protection systems;
 - technical assistance to national poverty analysis and policy formulation, that includes a consideration of the changing situation of children.¹⁰⁵

¹⁰⁵ See the forthcoming CHIP briefing paper 9: 'What works? Key policies for tackling childhood and youth poverty' for more detail, and refer to Marcus and Marshall (2004) for more detailed information on each of these policy areas.

- **Donors should apply the core principles of a rights based approach to poverty reduction (non-discrimination, accountability and participation).** This means, for example, that the rights of marginalised children and their families and communities should be central to the different economic and social components of poverty reduction strategies. Taking a rights based approach does not mean that all aid should be targeted at the vulnerable; nor does it rule out framing the need to tackle childhood poverty in more economic terms to 'sell' it to convince sceptical economists.
- **Donors should support the development of national capacity to analyse and monitor the changing situation of children in poverty and the resources reaching them.** During discussions, most donors felt their aid did reach children in poverty: most through their support for health and education, some through specific actions for particularly poor groups of children, and others assumed a 'trickle down' to children of most investment in broader economic reforms and investment. There is very little analysis of whether this is actually sufficient. Internal donor reporting systems should include the need for staff to consider the impact of the country assistance strategy on children – preferably using national data rather than parallel systems of information generation. Moreover, donors should support national monitoring systems to collect and analyse comprehensive data on different aspects of poverty affecting children and young people as part of the poverty monitoring and evaluation systems in Ghana and Tanzania. The current increasing attention of the World Bank and others on Poverty and Social Impact Analyses (PSIA) offers an opportunity to ensure that the different likely impacts of policies and reforms on children are considered. This support for monitoring should involve support for alternative approaches to monitoring, such as tools developed by civil society, and include support for processes and activities that promote domestic accountability, such as public engagement in policy debates and the role of Parliaments and other bodies.
- **Donors need to work with government and others to identify gaps in resourcing, the need for developing models and the opportunities for scaling up assistance to tackle childhood poverty.** Section 3 identified particular gaps in donor assistance including support for sectoral and project specific work with youth, with children in their early years, more integrated work with all age groups and social protection for the poorest. Donors need to work with governments to identify and address these types of gaps in funding and ways of supporting them without seeing the only solution to be a project.

Although not discussed in detail in the paper, donor approaches to supporting local governments, and processes that strengthen local and national accountability are important.

5.2 Donors, aid instruments and childhood poverty

Making aid more effective for children requires donors to learn from lessons of the past. This includes their need: to work through mechanisms and approaches to aid that prioritise positive *systemic effects* on national capacity for sustained poverty reduction; to respond to locally determined priorities appropriate for children in that particular country context; and to work with governments and others to ensure aid reaches sectors or activities that will benefit children in poverty. Marcus and Marshall (2004) make important recommendations regarding technical assistance, debt management and the levels of 'upstream' support for macro policy reform in Mongolia and Kyrgyzstan. Here we consider some of the aid mechanisms of particular relevance in Ghana and Tanzania. These recommendations do not constitute a blueprint of suggested aid mechanisms and approaches that work for children but call for donors operating in Ghana and Tanzania to analyse (or re-analyse) the mechanisms they use and those available.

- **Overall, donors need to strive to find a balance in their ways of working that promote national control of policy choice and resource allocation yet also recognises that the children of today cannot wait for capacity to be developed over time.** Making aid more effective for children and young people involves difficult choices. However, the choice is not simply a targeted project approach versus a general budget support approach. A more nuanced and mixed approach is called for.
- **PRSPs do have potential to tackle childhood poverty. Progress is being made but this potential is yet to be realised in both Ghana and Tanzania** (Marcus, Wilkinson and Marshall, 2002). This is partly because new frameworks take time to develop as different actors engage. But it is also due to some core elements of PRSPs, particularly the continued underpinning of PRSPs with a macro-economic framework set in the PRGF that is currently not publicly debated and is often inflexible with mixed results for the poor. Progress under the second iteration of the strategy in both countries will be critical. Donors have their role to play in ensuring poverty cycles are broken by working with the government to promote a greater focus on social policy, a consideration of the impact of policies on children and other marginalised groups and a greater investment in childhood.
- **Increased harmonisation, alignment and donor co-ordination is vital for aid effectiveness.** Rhetoric needs to become reality. Some donors in Ghana and Tanzania, such as Japan and, in particular, the US should assess the systemic effects of their aid and significantly increase their efforts in harmonisation, alignment and co-ordination, including consideration of an increased use of general budget support.

- **In this context, the use of general budget support is a critical medium- to long-term goal.** This should improve sustainability and increase national control of policy choice and resource allocation. Progress with budget support mechanisms in both Ghana and Tanzania has made long-needed changes in donor-government relations and should be encouraged. Furthermore, the use of general budget support encourages a more holistic approach to poverty reduction strategies than individual sector, issue or project support. However, certain issues must be addressed urgently.
- **To be effective at not undermining national systems, particularly when these systems increasingly support recurrent (eg salary) costs for health, education, water and social protection, aid must be more predictable.** Donors encourage governments to work through MTEFs as 3-year, rolling budgeting frameworks. Those same donors should also appreciate that governments cannot effectively plan over three years if external financing sources are unreliable.
- **National control of policy making and resource allocation should be made a reality, however, by separating poverty-reduction-focused budget support from IFI macro-economic conditionality.** Joint funding mechanisms for budget support – the PRBS/ PRSC in Tanzania and the MDBS in Ghana - should be separated from IFI macro-economic conditionalities contained in the PRGF that are not subject to public scrutiny or assessed for their likely impact on marginalised children and adults. It is concerning that a lack of progress, as perceived by the IMF and World Bank, could mean the 'turning off' of significant amounts of aid from a number of donors. The World Bank, in particular, needs to lead by example and reduce the number of government 'actions' required to be completed before releasing tranches of the PRSC. The bilateral agencies need to maintain an independent stance, as they did in Tanzania in 2004, and continue to release committed tranches of aid despite IFI delays.
- **The use of sector budget support to fund SWAps should be an important mechanism for supporting and strengthening sectors that are of particular importance for children but problems with basket funds currently overshadow the benefits of SWAps.** Although DFID's, for example, concerns that supporting SWAps means double funding sectors funded by general budget support and that there ways of supporting sector capacity other than through sector funding are valid, the case for donors supporting SWAps in the medium-term is strong. The level of funding getting to social sectors to make a meaningful difference to children's lives is not enough. Vertical funds such as the Global Alliance on Vaccines and Immunisation and the Global Fund for Health are not a substitute. However, SWAps must keep focused on both sector development and positive outcomes

for children and their communities; the establishment and maintenance of pooled funding mechanisms should not distract donors and a SWAp should not be a mechanism for micro-management by donors. A SWAp for ministries of women and children, however, is not promoted here: these ministries should be responsible for keeping the urgent need to invest strategically in childhood on the agenda of the ministries of, for example, Health, Education, Social Welfare, Agriculture. How to best support important multi-sectoral programmes, often of urgent need for different groups of poor children must also be addressed. Sector plans need to recognise the need for multi-sectoral work – for example the Agriculture SWAp in Tanzania needs to recognise and respond to some of the problems causing child malnutrition that affects child health and educational attainment.

- **Projects that channel aid to particular sub-sectors, programmes or activities, do not have to undermine national systems so long as they involve strong harmonisation and alignment efforts, and have clear time-frames.** Projects, in the short- to medium-term at least, can be effective ways of channelling money to reach particular groups including children and to support the activities of ministries that do not benefit much from changing budget allocations. But projects need to be more strategic: for example, those that support work by the Department of Children/National Council for Children should aim to increase their capacity to engage with macro-policy rather than reinforce their marginalisation as ‘special group’ project implementation units. Furthermore, projects should work within sector or broader development plans, their management structures need to be far more harmonised with government systems and procedures and donors should be more willing to ‘give up their flags’ as one donor representative said.
- **Recognising that targeting is still necessary for reaching the poorest and that a healthy civil society is important, support through NGOs should not be reduced.** Support should be broadened out to a wider set of civil society actors, including CBOs, religious bodies and others. In particular, the civil society organisations which should be supported are those which reach those hardest to reach, can bring models and experience to the policy tables and which play a vital role in promoting domestic accountability.

Although not an exhaustive list, action in all of these areas should make aid more effective for tackling childhood poverty and mean donors do reach out to, rather than turn their backs on, children in Ghana and Tanzania.

6. References

- ActionAid Ghana, 1999, *Country Strategy Paper 2000-2004*, Accra: Action Aid
- Amponsah-Annan, M., 2002, 'Key Policy Issues on Children', Paper presented at Gender Mainstreaming workshop for Gender Desk Officers in Ministries, Departments and Agencies, Ministry of Women's and Children's Affairs, September
- Booth, A. and P. Mosely (eds), 2003, *The New Poverty Strategies: What have they achieved? What have we learned?* Basingstoke: Palgrave Macmillan
- Bretton Woods Project, 2003, *At issue - Harmonisation and Coherence: White knights or trojan horse?* London: Bretton Woods Project
- Canadian International Development Agency (CIDA), 2001, *CIDA's Action Plan on Child Protection*, www.acdi-cida.gc.ca/childprotection, accessed June 2002
- Centre for Development of People, 1999, *CEDEP Strategic Plan Handbook, 1999-2003*, Accra: CEDEP
- Christian Aid, 2001, *Ignoring the Experts: Poor people's exclusion from poverty reduction strategies*, London: Christian Aid
- CIDA, 1999, *Ghana Programming Framework 1999/2000 to 2004/05*, Africa and Middle East Branch, Canadian International Development Agency
- CIDA, 1997, *Tanzania Tufanye kazi pamoja (Let us work together)*, Programming Framework, Quebec: CIDA
- Consultative Group, 2002, *Joint Statement on the Poverty Reduction Budget Support Facility and the Harmonization with the World Bank PRSC*, Consultative Group meetings, Dar es Salaam, December
- Craig, D. and D. Porter, 2002, 'Poverty Reduction Strategies: a new convergence', *World Development*, 130 (12), www.worldbank.org/wbiep/decentralization/aftrib/craig.pdf, accessed April 2003
- DANIDA, 2002, *Tanzania: Strategy for Danish Development Co-operation with Tanzania 2001-2005*, Copenhagen: Ministry of Foreign Affairs
- DANIDA, 2000, *Denmark's Development Policy Strategy: Partnership 2000*, Copenhagen: DANIDA
- DANIDA, n.d, *Denmark in Ghana*, Accra: DANIDA

Development Dialogue Series, 2003, *The GPRS and Multi-Donor Budget Support (MDBS): Strengthening the links of Accountability*, Second Development Dialogue Series, Summary Report of Proceedings, 23rd May, Accra, Ghana

Development Initiatives, 2002, 'Conditionality and Ownership', *The Reality of Aid: An independent review of poverty reduction and poverty assistance*, Manila: IBON Foundation Inc.

DFID, 2003a, *DFID Tanzania Country Assistance Plan, June 2003 - December 2004*, Dar es Salaam: DFID

DFID, 2003b, 'Choice of Aid Modalities', *Key Sheets for Sustainable Livelihoods* No 19, ODI/DFID www.keysheets.org

DFID, 2003c, *DFID Ghana Country Assistance Plan 2002-5*, Accra: DFID Ghana

DFID, 2002, *Breaking the Cycle of Child Poverty*, London: DFID

DFID, 2002, *DFID Ghana - Developing Our Country Assistance Plan 2002-2005 Consultation Document*, Accra: DFID Ghana

DFID, 2001, *Terms of Reference for Evaluation of General Budget Support in Oxford Policy Management Limited (OPML) and Overseas Development Institute (ODI)*, 2002, General Budget Support Evaluability Study Phase I, Final synthesis report, Report to UK Department for International Development (DFID)

DFID, 1999, *Tanzania Country Strategy Paper*, Nairobi: DFID EA

European Union/Delegation of the European Commission, 2001, *Cooperation between the Republic of Ghana and the European Union*, Annual Report

[German] Federal Ministry for Economic Cooperation and Development, 2001, *Poverty Reduction – A Global Responsibility, Program of Action 2015, The German Government's Contribution Towards Halving Extreme Poverty World Wide*, Summary, BMZ Materialien No. 107

Foster, M. and J. Leavy, 2001, 'The choices of financial aid instruments', *Working Paper 158*, ODI, London, in DFID, 2003, 'Choice of Aid Modalities', *Key Sheets for Sustainable Livelihoods* No 19, ODI/DFID. www.keysheets.org

Foster, M. and S. Mackintosh-Walker, 2001, 'Sector Wide Approaches and Poverty Reduction', *ODI Working Paper 157*, Centre for Aid and Public Expenditure, London: ODI

Gould, J. and J. Ojanen, 2003, *Merging in the Circle: The politics of Tanzania's Poverty Reduction Strategy*, Helsinki: University of Helsinki

Government of Ghana (GoG), '2004 Medium Term Expenditure Framework 2002-2006' in *The Budget Statement and Economic Policy of the Government of Ghana for the 2004 Financial Year*, <http://www.parliament.gh/hmeP/pubsPag/budget/Budget%202004%20final%20%202.pdf>, accessed March 2004

GoG, 2002, *Agenda for Growth and Prosperity – Ghana's Poverty Reduction Strategy: Government's Medium Term Priorities 2002-2004*, Accra: GoG

---, 1997, *Ghana Vision 2020: The First Medium Term Development Plan 1997-2000*, Accra: National Development Planning Commission

Government of Ghana/Japan International Co-operation Agency, 2001, *Integrated Human Development Programme Annual Report 2001 (April 2001- March 2002)*, May

Government of Ghana/UNICEF, 2001, *Master Plan of Operations and Programme Plans of Operation 2001-2005*, Accra: UNICEF

Government of Ghana/UNICEF, 2000, *Situation Analysis of Children and Women in Ghana 2000*, Accra: UNICEF

Government of Ghana and the World Bank Group, 2000 *Country Assistance Strategy for Ghana 2000-2003*, Accra: World Bank

Ghana National Commission on Children, 2000, *Ghana's Children. The Child's Perspective. 2000 Country Report*, Accra: GNCC

Harding, A., 2003, 'Ghana case study', in M. Foster and A. Keith (eds) *The Case for Aid: Final Report for Department for International Development*.

Harper, C., Marcus, R. and K. Moore, 2002, 'Enduring Poverty and the Conditions of Childhood: Lifecourse and Intergenerational Poverty Transmissions', *World Development*, 31 (3), 535-554

Harper, C. and R. Marcus, 1999, *Child Poverty in sub-Saharan Africa*, background paper prepared for SPA 1999 Poverty Status report, published as World Bank, 2002, *Poverty in the New Millennium*, London: Save the Children

High Level Forum, 2003, *Rome Declaration on Harmonisation*, Rome, Italy, 25 February

IDA/IMF, 2003, *Ghana: Joint Staff Assessment of the Poverty Reduction Strategy Paper*, Washington: IDA/IMF

ILO-IPEC, 2001, *Time-bound Programme Initiative for the Elimination of the Worst Forms of Child Labour in Tanzania*, Briefing Note.

IMF, 2001, 'IMF Completes Tanzania Review under PRGF Loan and Approves US\$26 Million Disbursement and US\$17 Million in Additional Interim HIPC Assistance', *News Brief* No. 01/26, 14 March, <http://www.imf.org/external/np/sec/nb/2001/nb0126.htm>, accessed February 2004

IMF, 2000a, 'IMF Approves Poverty Reduction and Growth Facility Loan for Tanzania', *Press Release* No. 00/25, 5 April <http://www.imf.org/external/np/sec/pr/2000/pr0025.htm> accessed February 2004

IMF, 2000b, 'IMF Approval of Ghana PRGF Credit Takes Effect', *News Brief* No. 00/74, 29 August, <http://www.imf.org/external/np/sec/nb/2000/nb0071.htm> accessed February 2004

Jamhuri ya Muungano wa Tanzania, 2002, *Sera ya maendeleo ya mtoto Tanzania – 2002 – RASIMU 5, Wizara ya Maendeleo ya Jamii, Wanawake na Watoto*, Child Development Policy, 5th draft (translated by author), Dar es Salaam: URT

Jubilee Research, 2004, *What is the HIPC initiative?* http://www.jubileeresearch.org/hipc/what_is_hipc.htm#_ftn1, accessed June 2004

Jubilee Research, 2003, *Ghana Country Profile*, <http://www.jubilee2000uk.org/databank/profiles/ghana.htm>, accessed April 2004

Jubilee Research, 2001, *Tanzania Country Profile*, <http://www.jubilee2000uk.org/databank/profiles/tanzania.htm> accessed April 2004

Killick, T., 2004, 'Politics, evidence and the new aid agenda', *Development Policy Review*, 22 (1), 5-29

Marcus, R. and J. Marshall, 2004, *Tackling childhood poverty in Central and East Asia: Donor approaches in Kyrgyzstan and Mongolia*, CHIP report 7, London: CHIP.

Marcus, R., 2003, "'We were born poor and we'll die poor" – escaping poverty cycles', ID 21 *Insights*, Issue 46

- Marcus, R., Wilkinson, J. and J. Marshall, 2002, 'Poverty Reduction Strategy Papers: their potential for reducing childhood poverty', *Journal for International Development* 14, 1117-1128
- Marshall, J., 2003, *Childhood Poverty: Some Questions answered*, CHIP briefing 1, London: CHIP.
- Mehrotra, S., 2004, 'Improving child wellbeing in developing countries: What do we know? What can be done?' *CHIP Report 9*, London: CHIP
- Ministry of Finance, 2004, *Tanzania: Performance Assessment Framework for the PRBS/PRSC annual PAF review*, November 2003, Final Draft, Dar es Salaam: Ministry of Finance
- Ministry of Finance, 2001, *Memorandum of Understanding on Performance Assessment Framework for Poverty Reduction Budget Support Monitoring Framework 2001-4*, Dar es Salaam: Ministry of Finance
- Ministry of Finance (MoF), 2002, *Medium Term Expenditure Framework Budget Guidelines 2002/3*, Accra: GoG
- Ministry of Water and Livestock Development (MOWLD)/Marshall, J., 2003, *Poverty Monitoring for the Water and Sanitation Sector*, Dar es Salaam: MOWLD/WaterAid
- Mwakasege, C., 2002, *Making PRSP work in a globalised economy: The Tanzanian experience of implementing PRSP for the first two years - an NGO perspective*
- NGO Policy Forum, 2004, *Preliminary Submission to the Poverty Reduction Strategy Review*, Tanzania
- NORAD, 2002, *Memorandum of Understanding between Government of the Kingdom of Norway and the Government of the United Republic of Tanzania concerning Development Co-operation*
- NORAD, 2000, *The Country Approach*, Oslo: NORAD
- OECD, 2003, *International Development Statistics*, CD-ROM
- OECD DAC/GEO, 2003, OECD, 2003, *International Development Statistics*, CD-ROM
- OECD, 2002, *Aid to Tanzania*, www.oecd.orgdac/images/AidRecipient/tza.gif, accessed May 2004
- Ofei-Aboagye, E., 2002, *Donor Perceptions of and Action on Child Poverty in Ghana*, Study commissioned by CHIP/Save the Children, DRAFT

- O'Malley, K., 2004, *Children and Young People participating in PRSPs: Lessons from Save the Children's experiences*, London: Save the Children
- Oxford Policy Management Limited (OPML), 2002, *General Budget Support Evaluability Study Phase I*, Final synthesis report, Report to UK Department for International Development (DFID)
- Paris Club, 2004, *Description of the Paris Club*, <http://www.clubdeparis.org/en/presentation/presentation.php?BATCH=B01WP01>, accessed June 2004
- Ronsholt, F., 2002, *Tanzania: A country case study prepared for the OECD DAC Task Force on Donor Practices*, Birmingham: University of Birmingham
- Save the Children UK, 2003, *Submission to the World Development Report 2004: Making services work for poor people*, London: Save the Children UK
- Save the Children (UK) and Integrated Social Development Centre (ISODEC), 2002, *A First Call on Resources: Ghana's Financial Commitment to Children's Rights through the 1990s*, Save the Children (Children and Economics Programme)/ISODEC (Centre for Budget Advocacy), London: Save the Children
- SIDA, 2000a, *Country Strategy for Development Co-operation Tanzania 2001-2005*, Stockholm: Ministry for Foreign Affairs
- SIDA, 2000b, *Sida's Policy for Capacity Development*, Stockholm: SIDA Methods Development Unit
- SIDA, 2000c, *Sida's Policy for Sector Programme Support*, Stockholm: SIDA
- SIDA, n.d., *Sweden-Tanzania Partnership in Development*, Dar es Salaam: SIDA
- Stephens, J. and C. Minja-Trupin, 2001, *Situation Analysis for Save the Children Poor Urban Children at Risk Programme*, Dar es Salaam: Save the Children UK
- TASAF, 2000, *Community Development Initiatives (CDI) Implementation Handbook*, TASAF Management Unit, Dar es Salaam: President's Office
- TEN/MET, 2004, 'Tanzania Case Study', Presentation to Oxfam GB workshop, 17 to 19th February 2004, Malawi

- UNDAF II, 2002, *Integrated Programme for Promotion of Girls Education Action Plan 2001-2005*, in support of the implementation of the national policy on girls' education. Prepared in collaboration with Ministry of Education/Girls Education Unit
- UNDP, 2003, *Millennium Development Goals - a compact among nations to end human poverty*, Human Development Report 2003, New York: UNDP
- UNICEF, 2004, country statistics, http://www.unicef.org/infobycountry/tanzania_statistics.html; http://www.unicef.org/infobycountry/ghana_statistics.html;, accessed February 2004
- United Nations, 2001, *Second Country Co-Operation Framework for the United Republic of Tanzania (2002-2006)*, Executive Board of the United Nations Development Programme and of the United Nations Population Fund, Second Regular Session, DP/CCF/URT/2
- United Republic of Tanzania (URT) and European Community, 2001, *Country Strategy Paper and National Indicative Programme for the period 2001-2007*, Dar es Salaam: EC
- United Republic of Tanzania (URT), 2003a, *Guide For The Poverty Reduction Strategy Review*, Dar es Salaam: Vice President's Office
- , 2003b, *Second Annual Poverty and Human Development Report*, Research and Analysis Working Group, Dar es Salaam: Mkuki na Nyota Publishers
- , 2003c, *Action Plan for Implementation of the Tanzania Assistance Strategy FY 2002-3*, Dar es Salaam: URT
- , 2002, *Tanzania Assistance Strategy (A Medium Term Framework for Promoting Local Ownership and Development Partnerships)*, Dar es Salaam: Ministry of Finance
- , 2001a, *Poverty Monitoring Master Plan*, Dar es Salaam: URT
- , 2001c, *Poverty Reduction Strategy Paper Progress Report 2000-1*, Dar es Salaam: Government Printer
- , 2001d, *Memorandum of Understanding on Performance Assessment Framework for Poverty Reduction Budget Support Monitoring Framework 2001-2004*, Dar es Salaam: Ministry of Finance
- , 2001e, *Tanzania Labour Force Survey 2000*. Dar es Salaam: National Board of Statistics.
- , 2000, *Poverty Reduction Strategy Paper*, Dar es Salaam: Government Printer

- , 1998a, *National Poverty Eradication Strategy*, Dar es Salaam: Vice President's Office
- , 1998b, *The Tanzania Development Vision 2025*, Dar es Salaam: Planning Commission
- , 1996, *Child Development Policy*, Dar es Salaam: Ministry of Community Development Women's Affairs and Children (translated by Marshall, June 2002)
- Waddington, H. and M. Foster, 2003, 'Tanzania Case Study', in M. Foster and A. Keith (eds) *The Case for Aid: Final Report for Department for International Development*
- Warioba, N. and L. Groves, 1999, *Children's Rights in Tanzania*, Dar es Salaam
- White, H., 1999, *Dollars, Dialogue and Development: An evaluation of Swedish Programme Aid*, Stockholm: SIDA
- White, H. and G. Dijkstra, 2003, *Programme Aid and Development: Beyond conditionality*, London: Routledge
- World Bank, 2004, *Ghana - Second Poverty Reduction Support Credit Project*, Vol. 1 of 1 (Pipeline), Project Information Document, http://www-wds.worldbank.org/servlet/WDS_IBank_Servlet?pcont=details&eid=000104615_20040219090246, accessed March 2004
- World Bank, 2003a, *Tanzania - Second Poverty Reduction Support Credit Project*, Vol. 1 of 1, Project Information Document, http://www.wds.worldbank.org/servlet/WDS_IBank_Servlet?pcont=details&eid=000160016_20031204151108, accessed February 2004
- World Bank, 2003b, *Ghana - Poverty Reduction Support Credit Project*, Project Information Document, http://www.wds.worldbank.org/servlet/WDS_IBank_Servlet?pcont=details&eid=000094946_03050904040941, accessed February 2004
- World Bank, 2003c, *Tanzania - Poverty Reduction Support Credit and Grant Project*, Vol. 1 of 1, Project Information Document, http://www.wds.worldbank.org/servlet/WDS_IBank_Servlet?pcont=details&eid=000160016_20030506125800, accessed February 2004
- World Bank, 2002, *Children and Poverty*, <http://www.worldbank.org/html/extdr/pb/pbchildren.htm>, accessed June 2002
- World Bank, 2000, *Memorandum of the President of the International Development Association and the International Finance Corporation to the Executive Directors on a Country Assistance Strategy of the World Bank Group for the United Republic of Tanzania*, Country Department for Tanzania, Macroeconomics II AFTM2, Africa Region, Report No 20728 TA, <http://www.wds.worldbank.org>

org/servlet/WDS_Ibank_Servlet?pcont=details&eid=000094946_00082605465255, accessed June 2002

World Bank, 1999, *The Ghana CDF Pilot: The First Steps*, A Progress Report to the World Bank's Executive Directors <http://www.ghanacdf.org.gh>, accessed April 2004

World Bank, 1998, *Assessing Aid: What works, what doesn't and why*, World Bank Policy Research Report, Oxford: Oxford University Press

World Bank Group and Government of Ghana, 1999, *The Ghana CDF pilot: the first steps*, a programme report to the World Bank Executive Directors, <http://www.ghanacdf.org.gh/>, accessed April 200

Appendix I Donors interviewed for the study

Donor: TOTAL DONORS - Flow: Total Receipts Net - Recipient: Ghana

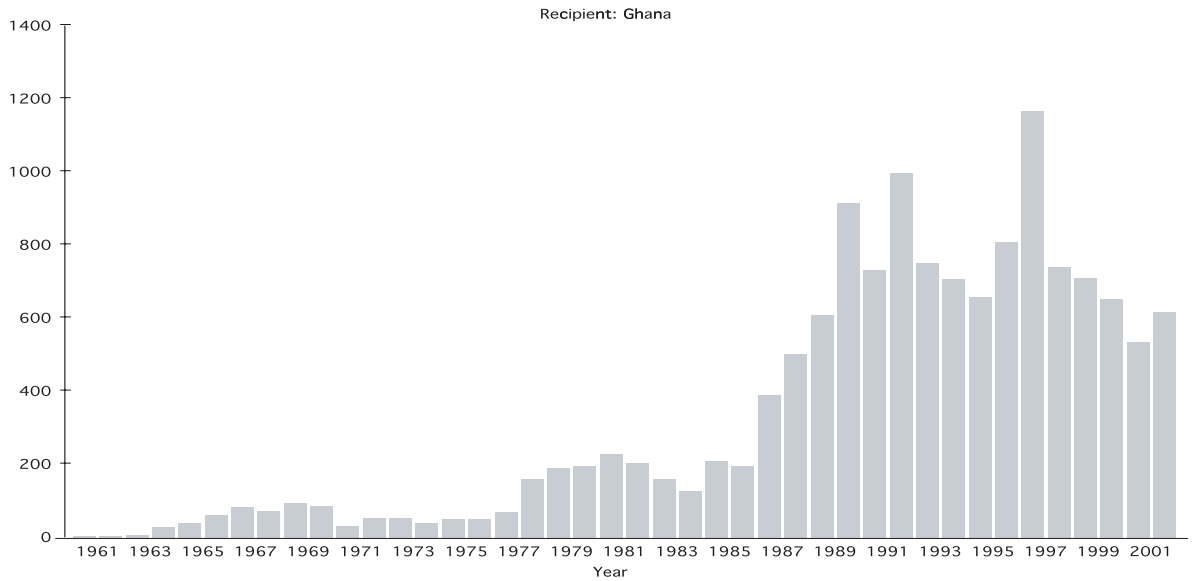


Table: GEOFLOW1.ivt - Geographical Distribution of Financial Flows - Part 1

Donor: TOTAL DONORS - Flow: Total Receipts Net - Recipient: Tanzania

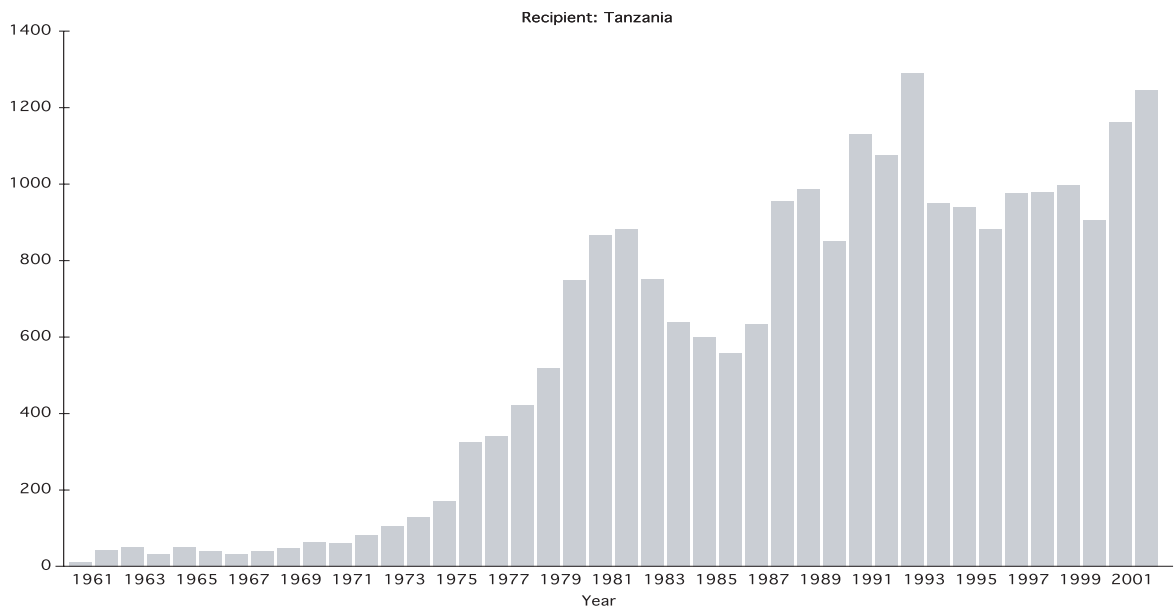


Table: GEOFLOW1.ivt - Geographical Distribution of Financial Flows - Part 1

TANZANIA

International Development Partners

- Luke Myers, Second Secretary (Development), **CIDA/Canadian High Commission**, Dar es Salaam, June 12th 2002
- Caroline Sergeant, Head of Mission, **DFID EA (T)**, Dar es Salaam, personal communication September 2001 at International NGOs' interest group (IIG) meeting; interviewed, June 17th 2002
- Paul Smithson, Health and Population Advisor, **DFID EA (T)**, Dar es Salaam, March 2002
- Klaus Schmidt, Macro-Economist, **EU**, Dar es Salaam, June 13th 2002
- Tomoko Enoki, Social Development Advisor/Specialist (Gender and Poverty Alleviation), **JICA**, Dar es Salaam, June 10th 2002
- Dr Fatemeh Ali-Nejadfard, Chief Technical Advisor, Timebound Programme on Worst Forms of Child Labour, International Labour Organisation - International Programme on the Elimination of Child Labour (**ILO-IPEC**), Dar es Salaam, June 2002
- Tone Tinnes, Resident Economist, **NORAD**, Dar es Salaam, June 14th 2002
- Leif Sauvik, Minister Counsellor, Royal Norwegian Embassy/**NORAD**, Dar es Salaam, June 6th 2002
- Ann Stödberg, Counsellor, Development Co-operation, **SIDA**, June 18th 2002
- Philip Courtenage, UNDP Aid Co-ordination Technical Advisor, **UNDP**, 7th Oct 2002 and February 2004
- Susanne Dam Hansen, Programme Analyst, **UNDP**, Dar es Salaam, June 14th 2002
- Thor Oftedal, Deputy UNFPA Representative, United Nations Populations Fund (**UNFPA**), Dar es Salaam, June 18th 2002
- Valerie Leach, Head of Analysis, Monitoring, Communications & Advocacy, **UNICEF**, Dar es Salaam, June 5th 2002
- Professor Benno Ndulu, Economist, **World Bank**, Dar es Salaam, June 12th 2002

Government

- Mrs E Mangesho, Director of Gender Development, **Ministry of Community Development, Women's Affairs and Children**, Dar es Salaam, June 2002

- Mr Henry Chali, Assistant Director for Children, Ministry of Community Development, Women's Affairs and Children, Dar es Salaam, June 2002
- Mr Kameka, Acting Permanent Secretary and Director for Social Welfare, **Ministry of Labour, Youth Development and Sports**, Dar es Salaam, June 11th 2002
- Mr Likweliwe, Director, Poverty Eradication Division, **Vice President's Office**, Dar es Salaam, June 12th 2002
- Mr Ramadhani Swalehe, Information, Education and Communication Specialist, **TASAF** (President's Office), Dar es Salaam, June 11th 2002

NGOs

- Dr Rakesh Rajani, Executive Director, **HakiElimu**, June 5th 2002
- Mr Joram Wilson Massesa, Secretariat Co-ordinator, **Tanzania Movement with and for Children**, June 10th 2002
- Ms Martine Billanou, Programme Director, Mary Nsemwe, Dar es Salaam Programme Co-ordinator (to June 2002), and other staff, **Save the Children UK**, Personal communication, June 4-18th

GHANA

International Development Partners

- Mrs Marilyn Aniwa, Gender Programme Officer, **CIDA**, Accra, April 30th 2002
- Mr Charlie Kirkcaldy, **DFID**, Accra, July 22nd 2002
- Mr Lindsay Jones, Adviser, Economic Section, Delegation of the **European Commission** in Ghana, Accra, July 12th, 2002
- Dr B. Heuel-Rolf, Country Director, German Development Co-operation (**GTZ**), Accra, August 6th 2002
- Mrs Sylvia Hinson-Ekong, Programme Manager, **IPEC** (International Programme on the Elimination of Child Labour), Accra, May 2nd 2002
- Mrs Joanna Opare, Programme Manager, **UN System** National Gender Programme, August 8th 2002
- Mr Moses Mukasa, Country Representative, **UNFPA**, Accra, July 12th 2002
- Dr Ramesh Strestha, Executive Director, **UNICEF** Ghana, Accra, July 11th 2002
- Ms Eunice Dapaah, Education Specialist, **World Bank** Office Accra, August 28th 2002

Government Agencies

- Mrs Amponsah Annan, Executive Secretary, Ghana National Commission on Children (GNCC), July 31st 2002
- Mr C Atiemo, Chief Director, **Ministry of Education**, September 3rd 2002
- Mrs A. Ahwoi, Director, Girls Education Unit, Ministry of Education, Accra, September 10th 2002
- Dr Acquah, Director, Policy Planning, Monitoring and Evaluation Division, **Ministry of Health**, Accra, September 12th 2002
- Ms Salamata Abdul Salam, Director, Finance and Administration, Ministry of Health, September 12th 2002
- Mrs Bridget Katsriku, Chief Director, Ministry of Tourism (former Chief Director, **Ministry of Employment and Social Welfare**, and Executive Secretary, Ghana AIDS Commission), Accra, July 15th 2002

NGOs

- Father Patrick Shanahan, Director, Catholic Action for Street Children (CAS), July 9th 2002
- Mrs Susan Sabaah, Executive Secretary, **Coalition of NGOs on the Rights of the Child**, Accra, May 2nd 2002
- Ms Juliana Osei, Forum of African Women Educationists (FAWE), Accra, July 9th 2002
- Mr Vitus Azeem, Programme Co-ordinator, Centre for Budget Advocacy, **ISODEC**, Accra, 2004.
- Mr Greg Ramm, former Country Director, **Save the Children UK**, Ghana Country Programme, Accra, May 14th 2002

Appendix 2 Aid flow trends to Ghana and Tanzania (OECD DAC/GEO, 2003)

Policy/Approach	Issues/Comments
<p>Social policy</p> <p>a. Do public spending commitments prioritise and provide adequate finance for key sectors of benefit to children?</p> <p>Specifically:</p> <ol style="list-style-type: none"> 1. <i>Commitments to key services</i> (eg health, education, social protection, water) 2. <i>Distribution of expenditure within sector</i> (eg balance between primary and tertiary healthcare) 3. <i>Mechanisms for ensuring that allocated funds reach front-line services and implementing bodies</i> (eg government departments, local authorities) 4. <i>Emphasis on tackling childhood and family poverty through social protection system</i> (eg partially focusing social assistance on poor families with children; ensuring that social assistance payments do provide protection against poverty). 	<p>Key issues include analysis of which services poor families and children are unable to access, and why, and designing policy to enhance their access.</p>
<p>b. Are obstacles to poor families' take-up of services addressed?</p> <ol style="list-style-type: none"> 1. <i>Mechanisms for ensuring that poor families can access services</i> (eg free services, waivers or exemptions based on poverty or membership of vulnerable group – children under five, pregnant women, etc – university scholarships for children from poor families) 2. <i>Are other (non-financial) barriers to good quality services being tackled?</i> (eg motivation of public sector staff; gender or age discrimination). 	
<p>1. How can synergy between different areas of sectoral provision be strengthened? For example, does water sector strategy maximise potential benefits to health and education (eg by reducing children's water-gathering workloads and time burdens)?</p>	
<p>d. Specific provision for vulnerable children</p> <ol style="list-style-type: none"> 1. Are services that support particularly disadvantaged children integrated with broader services? (eg do programmes for working children enhance their access to mainstream schooling?) 2. Do support services for particularly disadvantaged children help tackle causes as well as symptoms of childhood poverty? For example, do street children programmes tackle family disadvantage? Do they help street children escape from poverty in future, eg via education (school-based or vocational)? 	

Appendix 3: Making aid more child-focused: a framework

This framework is based on the premise that policies and programmes supported by donors will impact on children in three main ways: through their effects on household livelihoods; through their effects on key services that benefit children; and via their systemic effects on national poverty reduction capacity. This table summarises some of the issues to be considered in adopting approaches to aid that will enhance child wellbeing. It is based on the key areas explored in this study. See CHIP Briefing *What Works: Key policies for tackling childhood and youth poverty* for further detail on these issues.

Policy/Approach	Issues/Comments
<p>Approaches to aid</p> <ul style="list-style-type: none"> • Are key aid mechanisms and practices likely to have <i>systemic effects</i> that could encourage rather than undermine the development of national capacity for sustained poverty reduction for all? This includes reducing the burden of transaction costs on recipient and donor. • Is aid responding to locally determined priorities for all? This includes whether aid mechanisms (or the policy and budgeting processes they are tied to) promote the priorities relevant for children. • If aid mechanisms are earmarked or targeted, are they targeted at sectors or activities that will benefit children in poverty. Does the level an aid instrument operates at (eg macro or micro) seem to be affecting whether or not children are reached? • Particularly relating to debt relief and the choice of terms of disbursement, is aid likely to prevent today's children and future generations from staying in or falling back into poverty? 	
<p>Analysis, evaluation and assessment</p> <ul style="list-style-type: none"> • Is analysis of potential impact of policy choices on children and young people included in appraisal of policy options? • Do evaluations and impact assessments of aid-supported activities include analysis of impact on children and young people? • Do national poverty monitoring systems (eg PRS monitoring system) examine changes in children and young people's wellbeing? 	<p>Poverty and social impact analyses are likely to be a useful tool and should involve both quantitative and qualitative assessments. Focusing on a few key indicators is important in order not to collect data that will not be used.</p>

The Childhood Poverty Research and Policy Centre (CHIP) is a collaborative venture between Save the Children and the Chronic Poverty Research Centre (CPRC). CHIP is working with both researchers and advocates, North and South, to produce research, and influence policy and practice on childhood poverty in the wider context of chronic poverty.

CHIP is funded by DFID, Save the Children and the CPRC.

Directors: Dr Caroline Harper and Professor David Hulme

This report examines how donors approach poverty affecting children and young people in Ghana and Tanzania, where one in ten and one in six children respectively die before their fifth birthday. To break poverty cycles and to reach the MDGs, aid must contribute significantly to tackling childhood poverty and deprivation.

The report finds that very few donors explicitly aim to reduce poverty among children and young people. Most donors see their health and education programmes as their main method for tackling childhood poverty. Many see children as one of the 'special groups' vying for attention rather than a strategic investment. The increasing numbers of donor agencies supporting macro level work, such as governance reforms, and those supporting sector policies to promote growth, such as roads and energy, assume - rather than assess - a 'trickle down' of benefits to the younger generation. Most donors align their support, particularly their increasing amounts of general budget support, around the Poverty Reduction Strategy Paper (PRSP) in Ghana and Tanzania but neither PRSP yet sufficiently addresses childhood poverty.

The study also examines the implications for children and for government poverty reduction capacity of the ways that aid is delivered to Ghana and Tanzania, focusing particularly on general budget support and sector wide approaches. Though there has been much progress in both countries towards greater harmonisation and alignment of aid with government priorities and procedures, more action is needed to make aid work for children living in poverty.

Published by Childhood Poverty Research and Policy Centre (CHIP)

For information contact:

CHIP, c/o Save the Children, 1 St. John's Lane, London EC1M 4AR

Telephone: 44 (0)207 012 6796

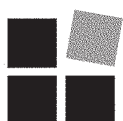
Email: info@childhoodpoverty.org

Web: www.childhoodpoverty.org

ISBN: 1-904922-12-0

First published: 2004

All rights reserved. This publication is copyright, but maybe reproduced by any method without fee or prior permission for teaching purposes, though not for resale, providing the usual acknowledgement of source is recognised in terms of citation. For copying in other circumstances, prior written permission must be obtained from the publisher and a fee may be payable.



Chronic Poverty
Research Centre

www.chronicpoverty.org



Save the Children