

*Are we getting lost in exclusive anti-poor,
adjustment lending policy cycles?*

*A rapid review of preliminary ActionAid engagement
of Poverty Reduction Strategies in Kenya, Haiti,
Uganda, Vietnam, Nepal, Rwanda and Malawi*

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Finally, the author would like to acknowledge the facilitation and support of the ActionAid USA team who made the entire exercise so much more enjoyable.

Glossary of Terms¹

- APR: Governments prepare Annual Progress Reports within 12 months after preparation of a PRSP in order to assess progress toward PRS goals and intended policy/program reforms. As mentioned, these reports also allow governments to make adjustments to PRSPs in response to changing macroeconomic conditions, etc.
- CAS: A Country Assistance Strategy (CAS) is a Bank business plan for development in each member country.
- CDF: Comprehensive Development Framework represents a new way of doing business for the Bank and its members. It is an approach to development whereby countries become the leaders and owners of the own development policies.
- HIPC: Heavily Indebted Poor Countries (HIPC) Initiative is an agreement among official creditors to help the most heavily indebted countries to obtain debt relief.
- IDA: The International Development Association is the World Bank Group's concessional lending window. It provides long-term loans at zero interest to the poorest of the developing countries.
- I-PRSP: Interim PRSPs were introduced to avoid delays in receiving assistance. I-PRSPs must include a stock-take of a country's current poverty reduction strategy and lay out a road-map of how the country is going to develop its full PRSP.
- JSA: Joint Staff Assessments (JSA) evaluate the soundness of PRSPs and I-PRSPs and thereby assist the Boards of the Bank and Fund in judging whether an I-PRSP or PRSP provides a sound basis on which to proceed with assistance and debt relief.
- PRGF: Poverty Reduction Growth Facility is a Fund program for the poorest countries. It replaces ESAF and should be based on a country's PRSP.
- PRSC: A Poverty Reduction Support Credit (PRSC) is provided by the Bank to IDA countries to support implementation of a PRSP.
- PRSP: Poverty Reduction Strategy Papers provide the basis for assistance from the Bank and the Fund as well as debt relief under the HIPC initiative. PRSPs should be country-driven, comprehensive in scope, partnership-oriented, and participatory. A country only needs to write a PRSP every three years. However, changes can be made to the content of a PRSP using an Annual Progress Report.

¹ *Definition of Key Terms*, PRSP Overview, World Bank Website.

INTRODUCTION

Background and methodology

The re-introduction of poverty reduction as a major thrust of the World Bank and International Monetary Fund policies in 1999 responded to a number of critical and accelerating pressures namely; popular demands for an end to the economic and social damage of structural adjustment programmes, failure of eternal conditionality approaches, a global movement for an end to the debt burden, internal demands for Bank decentralization to country offices and a willingness by a critical mass of Bank/Fund staff and Board for reform, greater information disclosure and public participation.²

Since 1999, a number of ActionAid offices have actively embraced the potential of new space around processes that had been largely unaccountable and closed in the previous policy framework papers and related loans documents and processes. With field and operational presence among over five million working poor people in thirty of the world's poorest countries, the renewed emphasis on poverty provided clear rationale for ActionAid to get involved.

This review was designed to collate experiences of ActionAid staff and partners working on the Poverty Reduction Strategy Papers in order to inform future practice and to develop policy brief for the international PRSP review conducted by the World Bank and International Monetary Fund (September-January 2002).

The researcher gathered and read background materials on Bank-Fund-country related materials in countries where ActionAid has had considerable PRSP/CAS/loan policies engagement including Rwanda, Kenya, Gambia, Tanzania, Sierra Leone, Uganda, Nepal, Vietnam, Brazil where there has been considerable engagement, and Ethiopia, Malawi, Mozambique and Nigeria where it has been limited engagement. Based on this analysis, the seven countries namely Kenya, Haiti, Uganda, Vietnam, Nepal, Rwanda and Malawi were selected for focus.

The seven countries selected for this review reflect a diversity in terms of the intensity of ActionAid direct engagement, degree of democratic space/policy environment, size of Bank/Fund portfolio and lastly, blend of HIPC/ non-HIPC and IPRS/PRS. Of the seven countries, Uganda's PRS is the only one to have been "approved" by the Boards. The Kenyan and Malawian PRSs are now complete and await Bank and Fund Board consideration. Malawi's PRS has yet to be made public. Vietnam on the other hand, is in an interesting position having not completed its PRS but already having negotiated the PRSC.

A questionnaire was developed and sent to the Policy Research Coordinators in each of the countries. In Haiti and Malawi, staff elected to pass them onto the national advocacy coalitions. Thirty-minute interviews with the six of the countries bar Haiti (due to linguistic and scheduling challenges) took place. An initial paper was developed and this was then shared for discussion in a collective teleconference. The findings were then distilled into the policy brief "Inclusive Circles lost in Exclusive Cycles" presented to the International PRSP Conference in two separate sessions on PRSPs and PRGFs.

² Very briefly, PRSs are documents whose preparation is mandatory for countries wishing to be considered for concessional lending and debt relief under the enhanced Highly Indebted Poor Countries (HIPC) Initiative. The Bretton Woods institutions have adopted the PRS as the primary tool for policy dialogue for *all* countries applying for concessional lending. Intended to cover a multi-year or three-year time frame, the PRS has replaced the "Policy Framework Paper" as the guiding instrument for policy setting and resource allocation. Launched two years ago in response to allay the stinging criticism received courtesy of the Structural Adjustment Programs, some 33 countries have completed the Interim Poverty Reduction Strategies (I-PRS) whereas 9 have prepared full PRSs by October 2001. In total, some 70 countries across the world are expected to develop national PRSs as a pre-requisite to qualify for concessional lending. The significance of PRSs for low income countries can further be gauged from the fact that July 2002 onwards, all World Bank Country Assistance Strategies (CAS) and Poverty Reduction Support Credits (PRSCs) as well as IMF Poverty Reduction and Growth Facility (PRGF) in International Development Association (IDA) countries will be based on a PRS.

The initial completion date of 17th December 2001 was extended to February 2002 bringing the research period to cover October-February with the most intensive months being December-January.

EXECUTIVE SUMMARY

Findings and Recommendations

Based on our findings, we suggest that on the whole, space for public participation in policy formulation has indeed opened up in Kenya, Nepal, Malawi, Rwanda, Uganda, and Vietnam. In the case of Haiti, World Bank ambivalence (in the context of an almost complete donor embargo) on whether to constructively engage the Haitian Government and/or the voluntary sector has prevented a participatory PRS from emerging.³

National, regional and district level PRS consultations have enabled a variety of voices and perspectives to be heard. These inclusive circles have, in varied degrees, allowed for frank exchange. **On the other hand, our findings (detailed below) show frustration with three critical barriers in the comprehensive policy cycle that the PRS is intended to initiate. If left unattended, these barriers will continue to render the circles of inclusion impotent and ineffective.**

Reflections on the external environment for participation

Firstly, while enlarging the circle of civic participation, there is insufficient space for discussion and approval by parliaments and endorsement by interest groups on the content of the final PRSs. In this way, it is unclear what Governments have omitted or included in the drafting and the reasons for this. This lack of feed-back on the final PRSs has short-circuited the principle of “country-driven” ownership. Malawian groups have expressed concern on the lack of transparency towards the end of the PRS formulation process.

Secondly, our findings also suggest an inverse relationship between the degree of domestic public accountability during the formulation process and the negotiation process with the World Bank and International Monetary Fund. The closer the document gets to finalisation and discussion with multilateral and bilateral institutions, the more it recedes into the opaque board-rooms of these institutions.⁴

Public accountability and participation in all seven countries (with the limited experience of Uganda where some attempt has been made) starts to collapse with development of the core loan instruments namely World Bank Country Assistance Strategies, the Government Letter of Intent, the IMF Poverty Reduction Growth Facility Arrangements, the Memorandum of the World Bank President and the Poverty Reduction Support Credits. By contrast, the formulation of national budgets preliminarily seems to show moderately higher levels of voluntary sector oversight and engagement. In this context, more “process conditionality” on the part of the Bretton Woods Institutions and donor community will undermine an already fragile domestic process.

Lastly, with regards the content of the three PRSs (Uganda, Kenya and Malawi) and the three IPRSs (Nepal, Vietnam and Rwanda), the findings have been mixed. The quality and scope of poverty diagnostics appear to have improved particularly in Uganda, Kenya and Rwanda. This has led to changes in the social sectors most notably in health and education. Disappointingly however, core macro-economic and structural adjustment policies have largely been retained in the “post adjustment phase”.

³ PAPDA’s comments from Haiti: “Our June 2001 seminar was part of an effort to influence the emergence of a consensus within civil society. Unfortunately, the political crisis and the freezing of external funding have prevented us from taking advantage of the momentum we had succeeded in creating”

⁴ ActionAid welcomes the steps taken by the World Bank to revise its Information Disclosure Policy in late 2001 but notes that this Policy has not been promoted and supported actively by the Country Offices. In this way, PRS consultations remain uninformed by the new information and resources available to citizens groups.

It would seem from our findings that the following changes would be critical to the World Bank and International Monetary Fund improving the content of policies and programmes flowing from the Poverty Reduction Strategies;

1. Poverty Assessments have a stronger focus on impoverishment and wealth generation rather than poverty per se. They identify the poverty and social inequity impact of past policies and outline alternative options and implications for enshrining certain basic entitlements and rights for all citizens. These can be considered for discussions around trade-offs. A starting point for this would be the elimination of indirect and direct fees for primary education, basic healthcare and water.
2. Public action choices contained in PRSs are drawn up by a process of consultation, joint drafting and endorsement by national and local organized interests.
3. IPRSs and PRSs are no longer approved by World Bank and International Monetary Fund boards. Instead, the Boards are informed of their contents and utilize them to approve Country Assistance Strategies and attendant policy processes.
4. Participation Action plans and route maps in IPRSs are publicly negotiated and endorsed by key apex and umbrella associations in each of the countries rather than simply being drawn up by Governments. These action plans outline standards for sharing of information publicly, consultative mechanisms, sequencing of processes and procedures for endorsement.
5. CAS, PRGF, PRSC and any other external loan negotiation processes are discussed by country representative structures with particular emphasis on the mechanisms developed by the process that nurtured the PRS and Parliament. Joint Boards approve these policies after satisfactory and iterative public in-country discussions of public expenditure and adjustment performance experience.
6. The Fund further scales back its interventions to external debt and balance of payments management strategies. This suggests fewer areas but underpinned by social analysis of the costs and benefits of recommendations and advice being offered to governments.
7. Donor assistance strategies are subjected to the growing ownership that has emerged around the PRS process and address the poverty reduction strategies of Government and key organized groups with reduced emphasis on project based grant support.
8. Supported by the Fund, donors provide resources for building capacity in key institutions both within states and in wider society to develop scenarios and trade off analysis options.

Reflections on our internal capacity for engagement

The review revealed that most staff were unaware of the entire policy cycle and inter-linkages between the IPRSP-PRSP-PRGF-PRSC-CAS for instance and how they could serve as strategic lobbying opportunities.

The review also brought to light the fact that while all AA respondents offered strong suggestions on participation and made compelling arguments in favor of enhanced social services, very few ventured into the pure economic (fiscal and monetary) arenas. The review made it clear that none offered any policy advice on macro-economic frameworks e.g. fiscal management (budgetary tracking, tax and revenue administration) or structural reforms (of exchange rate or tax policy), privatization, trade liberalization, debt reduction and regulatory reform. While engagement with the Bank was on everyone's agendas, the interaction with the IMF was sporadic or even non-existent. The fallout of this was the ability of the IMF to work in isolation from civil society scrutiny.

Similarly, many respondents felt it difficult to frame their policy advocacy positions and demands in a rights-based framework. Although most of the respondents had been making the case for greater spending on education, health and environmental protection in their PRSP related consultations, many were not comfortable in paraphrasing their demands in a rights perspective for the purposes of this review.

It is apparent from the responses received that the strength of CSOs, so far, lie in designing, implementing, and monitoring processes in a participatory framework; however, if comprehensive and far reaching intervention in PRSPs is the objective, then CSOs must increase their understanding of macro-economic issues.

9. More strategic use of information on the web to follow the PRSP cycle and intervene during the I-PRSP phase, the writing of the I-PRSP Joint Staff Assessment, PRSP drafting, and during WB/IMF Executive Directors' Board Meetings as indeed robust monitoring of the PRSP Policy Matrix – the document that lays out policy actions over a three year period.
10. Greater capacity built so as to demonstrate the actual or potential impact of macro-economic public action choices on the livelihoods and rights of poor people.
11. A capacity-building program that enhances the knowledge of AA staff and partners on human rights and sustainable human development and the macro-economic dimensions of the poverty alleviation debate is completed.

ActionAid Impact on the policy content of Poverty Reduction Strategies

Significantly, in most cases it was reported that a shift had taken in the national government's understanding of the causes of poverty. For example, ActionAid Kenya perceived a change in the *"general understanding of the multi-dimensional nature of poverty and the need for multi-stakeholder and multi-sectoral approach to eradicating it"*. This was not uniform with all. For Malawi, ActionAid Malawi felt *"the official definition of poverty is still related to access to resources rather than to issues of rights and inequity"*. For ActionAid Vietnam (December 2001),

"PPAs and other consultative exercises, such as the PRSP, have created a lot of opportunities for government participants to learn more about the causes of poverty. This has led to national plans becoming more people-centered and pro-poor."

For this reason, we would expect that the solutions to poverty would also reflect a clearer departure from previous development strategies. Tracing the inclusion of civil society originated demands in the PRSPs and subsequent national policies and budgets, suggests that despite the fact that no civil society representatives were members of PRSP drafting teams, there has been a higher degree of voluntary organisation-led demands being included in PRSPs than other national policy-making experiences. This has been more apparent in the area of health and education sectoral reform.

The findings suggest that Vietnam (see chart 1) and Rwanda saw most of their policy demands taken up for consideration within the PRSPs, Malawi reported some inclusion of demands whereas Kenya (see chart 2) reported a very poor response in this regard. All respondents were of the opinion that greater advocacy engagement and enhanced involvement and capacity of voluntary organisations and the poor may lead to more demands being taken up in future PRSPs. In a number of these countries the fruit of demanding for the collective rights of people with disabilities (Kenya), peoples with HIV/AIDs (Malawi), rural peasant producers (Vietnam, Rwanda), pastoralists (Kenya) and women (Malawi, Kenya and Uganda) was realized with important affirmative policies built into the PRSPs.

Chart 1
Inclusion of Demands in Vietnam

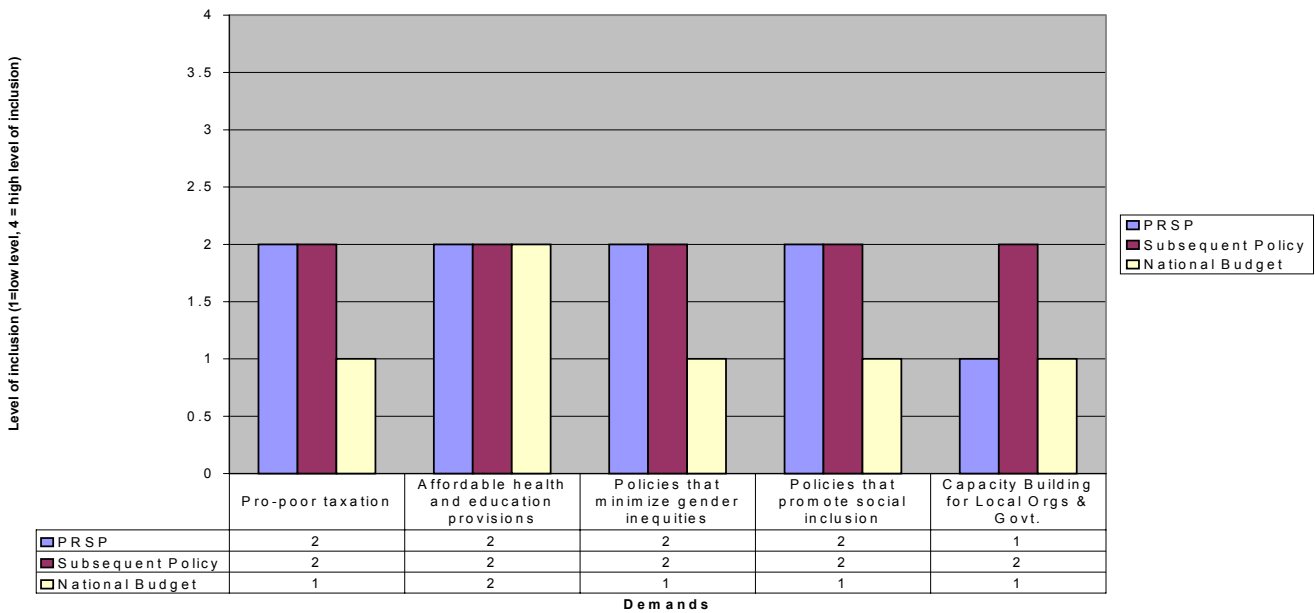
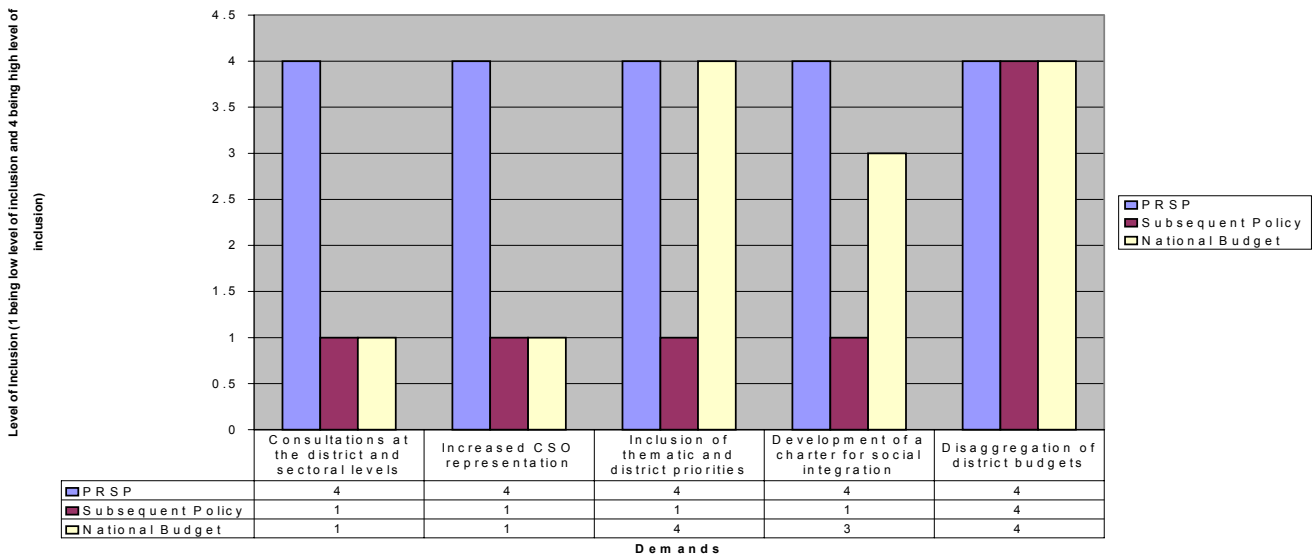


Chart 2
Inclusion of Demands in Kenya



However many of the recommendations that sought to subject the impact of previous macro-economic policies to poverty analysis (social and livelihoods impact assessments of trade liberalization, patenting of plants and herbal medicine for instance, retrenchment of rural agricultural extension civil servants) fell on deaf ears. Calls for legalisation of organized labor, even white collar workers, to enable their organized participation in discussions on privatization and retrenchment were largely ignored. Demands for a progressive tax structure in the IPRS that would generate resources in ways that would not hurt the working poor was responded to in the case of Kenya with one of the harshest VAT policies in recent Kenyan history in the 2000/2001 National Budget.

Elsewhere, Rosemary McGee writes;

“There is broad consensus among our civil society sources in Ghana, Malawi, Mozambique, Tanzania, Zambia and Bolivia that their coalitions have been totally unable to influence macro-economic policy or even engage governments in dialogue about it.”

McGee R. *Assessing Participation in Poverty Reduction Strategy Papers: A Desk-Based Synthesis of Experience in sub-Saharan Africa*, IDS-Sussex, 2002

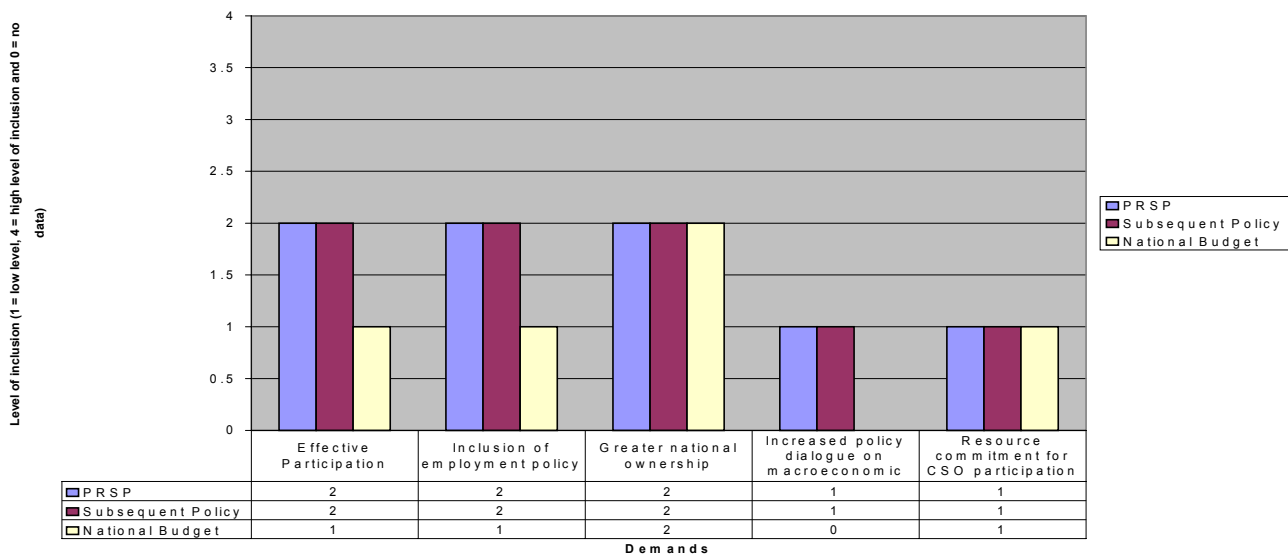
National budget-making continues to be viewed as a strictly government-only exercise. Consequently, very few civil society demands saw substantive change in the national budgets. Little attempt has been made by Governments to make the linkages between the PRS and the national budget. On the part of voluntary organizations, there seems to be few examples apart from Uganda (see chart 3) and Malawi of a sustained campaign to follow where the money goes. In this regard, further action needs to be taken by Governments, donors, and citizens to ensure the talk on poverty eradication is matched by the monetary allocations.

The Washington paradigm has adapted, but is intact

With the exception of some recent changes, the World Bank and International Monetary Fund continue to operate in disregard for international human rights law and standards.⁵ Both national governments and the Bretton Woods institutions continue to demonstrate skepticism to a rights and entitlements framework for the IPRs and PRSs.

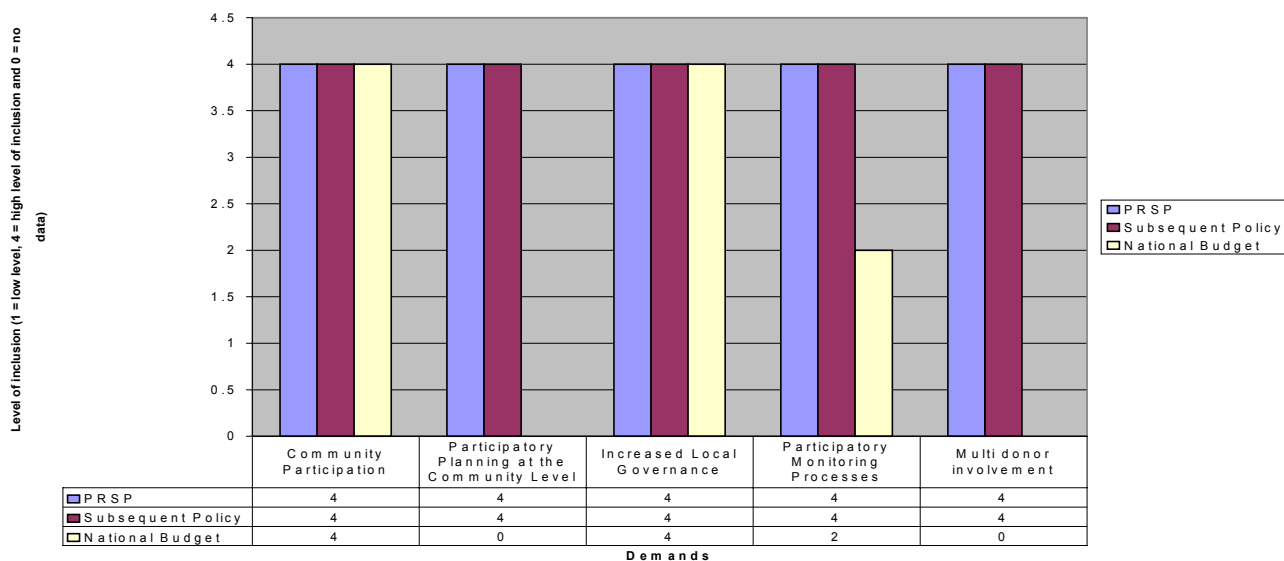
Calls for enshrining rights to essential services and assets such as land in Uganda, Malawi, Kenya and Rwanda (see chart 3 and 4) were not acceptable during the drafting process. In Kenya, attempts to include “The Charter for Social Integration”, a proposed bill for operationalising the right to education, health and public information under the already approved National Poverty Eradication Plan, was rejected.

Chart 3
Inclusion of Demands in Uganda



⁵ The promise of the publication of the 1996 Human Rights booklet by the World Bank has failed to yield substantive change in most areas of the Bank’s work. Only perhaps in the recent HIV-AIDs strategy has there been a clear step to enshrine the rights of people within HIV/AIDs.

Chart 4
Inclusion of Demands in Rwanda



The Bank has made public pronouncements on its obligations to support the framework of International Development Goals most notably in the area of “Education for All”. Between December 2000 and September 2001, the Bank issued statements on their reconsideration of education, water and health direct or indirect user fees as conditionality for loans.

Yet, even in the case of education where commitment seems strongest, this has yet to be translated into operational directives and change at country levels. Consequently, it is has fallen to voluntary agencies in Washington and selected countries to publicly keep the Bank to this commitment.⁶

Rather than a reconsideration of longstanding privatisation and liberalization policies, the development of a Private Sector Development strategy within the Bank and the content of the Bank/Fund approved IPRs and PRs clearly show that the old paradigm is alive and well.

The Fund has been quick to claim their streamlining of conditionality. While welcome, it is important to note that this is not reducing the overall package of conditionality that governments and their citizens have to face. A number of the structural conditionality has not been eliminated; it has simply moved across the street to the World Bank. Greater coordination between the two and the tendency to include criteria that must be completed prior to tranche releases “prior actions” has inevitably led to a tighter system of “cross conditionality”. This has increased the pressure on deficit managing governments to reduce debate that might produce alternative options and implementation in a centralist manner.

Looking at trends within the bilateral and multi-lateral community most notably in the recommendations by the European Commission and the WTO/GATT international policy conditionality on regulations, the tendency towards “fewer conditionalities” becomes even more marked in their uniformity. The EC now proposed two key conditionalities for countries, namely: signature and satisfactory progress against IMF programs and progress against PRSP goals and processes. It is unclear why these should be separated unless the EC does in fact see them as separate and distinct, thus reinforcing the concept of separate policy frameworks.

⁶ This was the case of the Tanzanian PRSP and the controversy around the Ghana PRGF in 2000.

In this context it is unclear at the beginning of 2002, that streamlining of IMF conditionality matters much for countries interested in pursuing macro-economic and fiscal debate with options. For instance, would there be a difference if the conditionalities were further streamlined to three: deregulate, privatize, and liberalize?

Adjustment internalized at the country level

The PRSs have their origins in the lending frameworks of the World Bank and IMF, having been developed as an alternative to the Policy Framework Papers (PFPs). They were externally developed and, in most cases, have been driven by the promise of external resources. Although there is little disagreement with the concept of a locally generated poverty reduction strategy and plan, there is scant evidence to suggest PRSs have generated any substantive long-term in-country ownership except perhaps among the bureaucracies that implement them.

Many voluntary organisations continue to view the process as conditional for successful loan negotiation and yet another sign of donor dependence. Policy analysts and activists in Vietnam, Rwanda, Kenya, Malawi and Nepal believed the PRS process had taken an inordinate amount of their effort and time. They were of the opinion that even more time would have to be devoted to the process to ensure worthy participation of the poor. Vietnam believed “the process should be simplified to make it more relevant to the actual condition and more importantly to fit better the capacity of local staff and people. The process must be owned by the people who are affected most by the PRS itself.”⁷

Besides WB/IMF officials and consultants, government bureaucrats connected with the PRS process appear to be the only well-informed actors in this process. Civil society and the poor are not engaged at the level where they can claim ownership.⁸ While there may be a semblance of government-ownership of PRSs, one cannot presently claim country-ownership for the process itself. This is particularly true in Rwanda, Nepal and Vietnam where the presence of autonomously organized, resourced and informed citizens groups is limited.

The concept of ownership is further skewed by the fact that nationally determined priorities for funding are subject to scrutiny and change at the hands of Joint Staff Assessments of the WB/IMF before these are put before their respective Boards for yet another round of assessing whether a certain “national PRS” may be funded as demanded. This hierarchy of approval pulls off the final disguise from the rhetoric of “country ownership” and reveals the PRS for what it is, yet another conditionality.

Reflections on the external environment for participation

As per Bank and IMF guidelines, PRSs are intended to be country-driven, results-oriented, comprehensive, prioritized, partnership-oriented and based on a long-term perspective for poverty reduction.⁹

The Bank describes participation as “the process through which stakeholders influence and share control over priority setting, policy-making, resource allocations and access to public goods and services.” It believes participation increases transparency of decision-making, promotes governmental accountability, and thereby increases overall economic and governance efficiency.¹⁰

⁷ Questionnaire: ActionAid Vietnam.

⁸ This is particularly significant given the shuffling of key Ministry of Finance staff and the Ministers over the last two months in Kenya and Malawi. High turnover of critical staff and politicians in the context of PRSs makes the need for broadened ownership more apparent.

⁹ *Introduction to Poverty Reduction Strategies and PRSs*, World Bank website, December, 2001.

¹⁰ *Poverty Reduction Source Book*, Volume 1, World Bank, December 2001.

Participation is also understood to be a more meaningful, proactive, and results-oriented engagement whose key elements should include information-sharing, consultation, joint decision-making and lastly, initiation and control by stakeholders.¹¹

This review reveals that robust participation in policy making depends on the political will of government to engage, the capacities of government, donors, and civil society to develop and implement an acceptable framework for participation, and the strength and vibrancy of the national civil society movement. Despite the fact that the guiding principle of the PRS is broad and meaningful participation, CSOs have had to devote immense effort to ensure civil society and the poor participated in national PRS exercises.

ActionAid's experience in the context of participation in PRSs points to the fact that the only key element among the four listed above that was followed effectively was consultation. The remaining three were not followed with any level of consistency by national governments and WB/IMF in the seven countries under review. ***Civil society was not involved in any systematic way in laying out the framework for PRS formulation or made a part of key decision-making.***

Civil society involvement was visible at the level of thematic and/or sectoral consultations, grassroots dialogues, and meetings with visiting WB/IMF missions. However, in all cases under review, while civil society membership was welcomed at the level of thematic/sectoral working groups, the final drafting committee was considered exclusively as the domain of national governments assisted by WB/IMF appointed consultants.

In the case of Kenya, it is telling that the civil servants leading the IPRS process were in most cases either former World Bank employees or continued to receive salaries provided by the WB to the GoK while working on these processes. This group was dropped soon after the delivery of the IPRS in mid 2000. In December 2000, the Finance Minister found himself out of office after a series of public statements which alleged that the IMF and the World Bank were forcing the Government to undertake unwanted changes. This in itself throws interesting light on the debate around "country ownership".

With the exception of Rwanda, all other country programs reported a lack of adequate prior notice regarding meetings and consultations. Many were informed only 2 or 3 days in advance, and in the case of Nepal, a 24 hour prior notice was given on one occasion. With the exception of Rwanda, all country programs felt such last minute notification prevented them from preparing adequately for PRS consultations; lengthy reports and documents could not be commented upon and the views of community partners could not be sought.

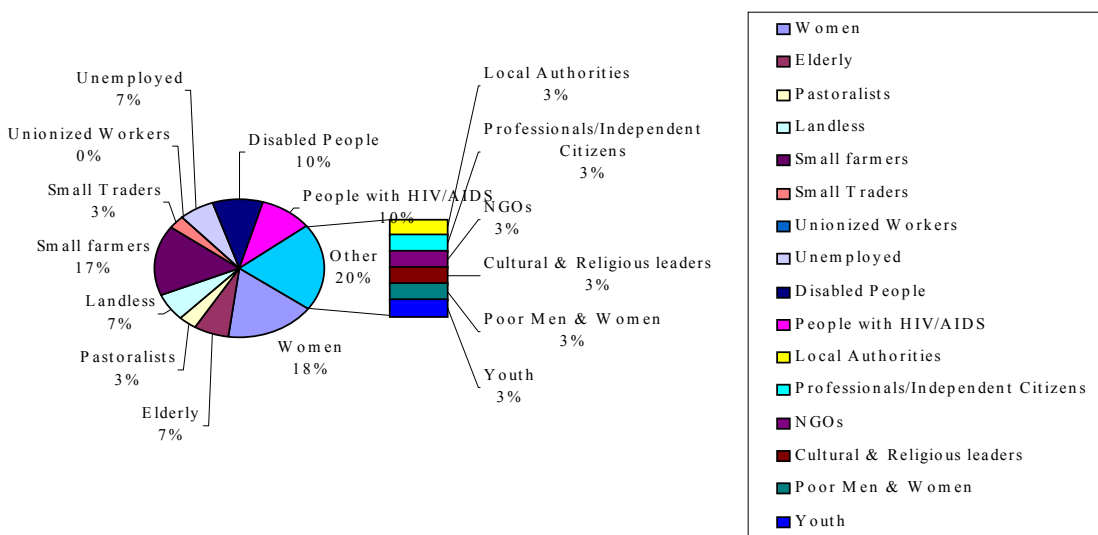
Since the process was not initiated or controlled by all stakeholders, the immensely important task of consensus-building and joint decision-making on the part of voluntary organisations was grossly undermined. In the case of Vietnam and Nepal, ActionAid itself took the initiative to contact the relevant ministry within the government to express a desire to be part of the PRS process. Staff in a few countries were painfully aware that the space accorded to ActionAid was in some cases due to the perception of the agency as an international NGO and a donor.

With the exception of Kenya and Rwanda, none of the remaining five countries reported the direct involvement of associations of the poor in PRS "upstream" deliberations (see chart 5). Whereas considerable effort has been made by NGOs to encourage the participation of marginalized groups or to put forward their concerns in PRS consultations, very little emphasis seems to have been put on ensuring that poor people represent themselves through their own organizations. Governments appear to be far more comfortable with voluntary organisations playing the traditional role of "implementers" than them providing policy solutions

¹¹ *Participation in Poverty Reduction Strategies: A Synthesis of Experiences with Participatory Approaches to Policy Design, Implementation, and Monitoring*, Rosemary McGee and Andy Norton, IDS Working Paper 109.

and options particularly on fiscal and macro-economic targets and goals. To them, the utility of voluntary organisations lies in their outreach and ability to organize grassroots consultations on the basic needs of the working poor and excluded groups. In many ways, despite the participation route-map, the logical next step of inviting associations of the poor to the “upstream” negotiating tables has not yet occurred.

Chart 5
Direct Involvement with Specific Groups
Number of countries = 7
Haiti, Kenya, Malawi, Nepal, Rwanda, Uganda & Vietnam



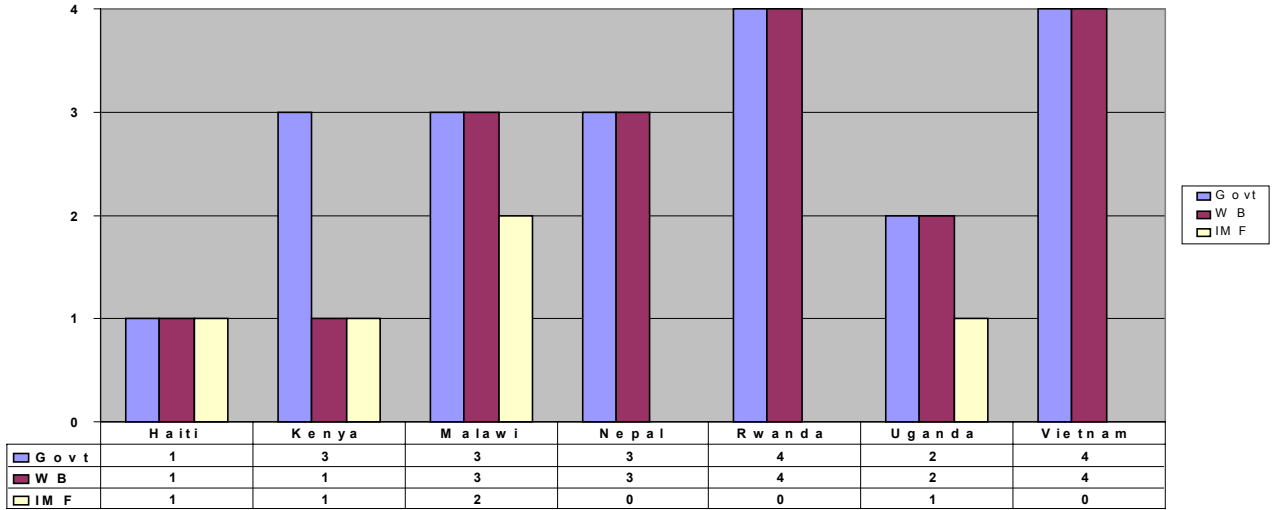
With the exception of Haiti, all country offices were only moderately satisfied with the level of information disclosure vis a vis the PRSs and CASs. Initial attempts at outreach by the World Bank around the CAS formulation in Kenya recently suggests an over-reliance on international NGOs rather than utilization of PRS thematic and geographical working groups.

Information-sharing in relation to PRSCs, PRGFs and national budgets remains highly unsatisfactory. Linked to the issue of information disclosure, the PRSs have clearly re-positioned the World Bank and International Monetary Fund as honest brokers at a country level. While this is a significant change from the past, it has obscured the significant role played by the World Bank and International Monetary Fund in the process itself.

With the exception of Rwanda and Vietnam, the review found that in the other five cases national government and the World Bank were only somewhat transparent when it came to decision-making around PRSs (see chart 6). The case of Kenya indicates both IMF and World Bank to be very secretive whereas in Malawi, the IMF was fairly secretive in its PRS related decision-making.

Transparency (0 = no contact with the institution, 1 = very secretive, 2 = fairly secretive, 3 = fairly transparent and 4 = very transparent)

Chart 6
Level of Transparency



This is worrying as it is the case in all seven countries that both the IMF and the World Bank continue to have direct influence and control over the process and content of the PRSs and related policy processes. It is our position that this influence continues to manifest in the tight qualitative and quantitative loan conditions.¹² It is disappointing and a betrayal of the vision of the PRS that the first generation of PRSs, PRGFs and PRSCs do not reflect a departure from their elder siblings, the PFPs, ESAF and Adjustment loans.

Tackling this reality takes us beyond the topical debate of “conditionality versus country ownership”. That the largely discredited adjustment instruments and targets have reappeared in the context of PRSs opens the PRS to the charge of new form, same substance and we might add, same impact on the working poor and excluded.

Tackling this reality takes us beyond the topical debate of “conditionality versus country ownership”. That the largely discredited adjustment instruments and targets have reappeared in the context of PRSs opens the PRS to the charge of “new form, same substance” and, we might add, same impact of the working poor.

There is a startling lack of framework within which democratic, popular, and public debate can be facilitated around issues such as which policy options could be pursued, who will bear the costs of this burden, for how long and with what short- and long-term benefits. The legacy of closed discussions between the IMF and Ministry of Finance staff, which was so pronounced in the Policy Framework papers, continues to have a major impact of the PRS, PRGF, and PRSC phase.

One of the Finance Minister’s interviewed in 2000 put it this way

“We don’t wish to second guess the Fund. We prefer to give them what they want before they start lecturing us about this and that. By doing so, we send a clear message that we know what we are doing – i.e. we believe in structural adjustment.” Quoted in Cheru, F. Human Rights Assessment of the Poverty Reduction Strategy Papers (PRSP) UN Commission for Human Rights, 2001

¹²In the case of the former are the prescriptions of cutting budget deficits, tariff reduction, privatization of public assets, promotion of export agriculture, nature of tax reform and in the latter are the plethora of fiscal targets (deficits, inflation, international reserves, domestic financing and government revenue).

From the submissions to the PRS review, it is clear that important constituencies are being excluded through the consultation design or their own lack of capacity. This has led to (a) cynicism that PRS are SAPs by other parallel means, (b) space for government officials to hide behind shadow IFIs when challenged, (c) a disconnect between realizable resources and goals to be addressed, and (d) the Fund and Bank to retreat back into past prescriptions without subordinating them to the new poverty and growth goals.

As the Uganda Debt Network and the Uganda Manufacturing Association have argued;

“The government owns the reform program but the program is based on IMF-World Bank conditionality rather than local participation.

Quoted in Devarajan S. and Dollar D. et al Aid and Reform in Africa, 2001.

Or in the case of neighboring Kenya,

Letters confirming Kenya's commitment to reform - supposedly written by top government officials - were actually drafted by the donors and then handed to him (the Minister of Finance) to sign. Mr. Okemo said the arrangement was "an open secret" and that the minister was told "to sign along the dotted line as an ultimatum." And he asked: "Is this not coercion?" "There is a clear need to reduce the intrusiveness of our development partners in domestic policy-making. We should not allow donors to micro-manage our economies through conditionalities," he said in a speech read by his deputy, Mr. Christopher Lomada reported in Daily Nation, October 26, 2001, Nairobi, Kenya

In this sense, the derogatory use by budget specialists of the term “wish lists” usually heard by our staff and partners is a double-edged critique. While challenging the lack of prioritization within available and anticipated resources, it also reflects the inability of budget specialists to generate informed debate.

All cases interestingly, with the exception of Haiti, highlight the poor institutional capacity on the part of government, donors, and voluntary organizations. Capacity should be seen in terms of knowledge, expertise and skills, prior experience, outreach, and relationships. For instance, ActionAid Nepal reported that “not all NGOs in and outside of Kathmandu are at the same stage of clarity and analytical ability” and that there exists a “lack of clarity in the Government, perhaps, on the ways in which they could link up with development organizations that have closer ties with rural communities”.¹³

The lack of capacity was further compounded by the fact that adequate time was seldom given to voluntary organisations to prepare and consult with their constituencies on draft documents, or to develop their own perspectives.

Reflections on our internal capacity for engagement

It has already been acknowledged by almost any one connected to the PRSP process that several skills are required if one is to engage meaningfully in this debate. Economics, history, sociology, and politics are but some of the disciplines that are routinely made use of by the many stakeholders as they make their way through the PRSP cycles. While it is virtually impossible to find activists who may inherently possess knowledge of all these disciplines, it would serve them in good stead if they were to acquire selected readings to better understand the origins and impacts of key policies and practices as they relate to their particular country settings.

The review revealed that although most staff were aware of the broader functioning of the World Bank and IMF, many were not clear on the pre- and post-PRSP steps that could serve as strategic lobbying opportunities. For instance, most of the AA country programs (except Nepal & Haiti) came into contact with the PRSP once the bank launched formal consultations with them in this regard. Although most of the country programs had prior institutional relations with the Bank, none got involved in the I-PRSP stage (except Nepal). Once the decision to work on PRSPs has been taken by CSOs, it would greatly enhance their

¹³ Questionnaire: ActionAid Nepal

lobbying and coalition-building efforts if they were to indulge in early engagement. With more information disclosure on the part of the Bank and proliferation of internet technology, it has become easier and quicker to keep track of IMF/WB initiatives in particular countries. Activists should make use of these technologies to follow the PRSP cycle and intervene during the I-PRSP phase, the writing of the I-PRSP Joint Staff Assessment, PRSP drafting, and during WB/IMF Executive Directors' Board Meetings, etc. The post-PRSP cycle would require robust monitoring of the PRSP Policy Matrix – the document that lays out policy actions over a three year period.

The review also brought to light the fact that while all AA respondents offered strong suggestions on participation and made compelling arguments in favor of enhanced social services, very few ventured into the pure economic (fiscal and monetary) arenas. The review made it clear that none offered any policy advice on macro-economic frameworks e.g. fiscal management (budgetary tracking, tax and revenue administration) or structural reforms (of exchange rate or tax policy), privatization, trade liberalization, debt reduction, regulatory reform, etc. It is apparent from the responses received that the strength of CSOs, so far, lie in designing, implementing, and monitoring processes in a participatory framework; however, if comprehensive and far reaching intervention in PRSPs is the objective, then CSOs must increase their understanding of macro-economic issues. It is imperative that this is done as soon as possible so that this crucial policy arena is not left wide open for the IFIs to interpret and prescribe as they see fit. CSOs must develop capacity so that they can argue against the norms and put forward alternative macro-economic development options.

It is equally revealing to note that the level of transparency and openness displayed by the World Bank and IMF is directly proportional to the ability of CSOs to engage them on their particular “lead” areas. The review brought this into sharp focus. While engagement with the Bank was on everyone’s agendas, the interaction with the IMF was sporadic or even non-existent. The fallout of this was the ability of the IMF to work in isolation from civil society scrutiny. And while the IMF may not be the most open of institutions, it remains to be seen to what extent CSOs tried to enter into dialogue with it on the PRGF, IMF Article IV consultations etc. Indeed, the review signaled the relative lack of preparedness on the part of AA country offices on most of the IMF related PRSP related policy processes.¹⁴ Most of the six (barring Haiti) respondents rated their preparedness levels as “somewhat prepared” while PRGFs and IMF Mission Consultations were usually characterized by an admission of un-preparedness; the question to be asked, of course, is why does this capacity gap exist and what should be done to fill it? A needs assessment of country policy and program staff on these issues may well be required to assist these frontline workers to improve upon their lobbying efforts whilst acknowledging the multiple demands on their time.

Similarly, many respondents felt it difficult to frame their policy advocacy positions and demands in a rights-based framework. Although most of the respondents had been making the case for greater spending on education, health, environmental protection etc. in their PRSP related consultations, many were not comfortable in paraphrasing their demands in a rights perspective for the purposes of this review.

It also could be that the respondents did not understand the question put to them or were short of time, but it also leads one to ask the larger questions: How able are CSOs to approach this debate from a rights-based advocacy perspective and can they convincingly make the case for the intrinsic correlation between poverty and human rights? For instance, how often do CSOs use human rights language on socio-economic rights and civil and political liberties to highlight a certain act of commission or omission on the part of the government or IFIs?

The questionnaire responses reveal that some capacity-building is needed in this aspect. The fact that poverty leads to a shorter life expectancy which in turn is a violation of the right to life, right to survival, and right to

¹⁴ These processes are Poverty Assessments, I-PRSPs, PRSPs, CASs, PRSCs, PRGFs, IMF Mission Consultations, National Budgets.

development are universally accepted norms that must be put forth at every given opportunity in the PRSP debate. In fact, it needs to be emphasized with unequivocal vehemence, that the 1948 Universal Declaration of Human Rights establishes poverty as a human rights issue. Indeed, the UN Committee on Economic, Social, and Cultural Rights acknowledges the centrality of the rights and poverty debate by stating “the right to work, to an adequate standard of living, housing, food, health, and education have a direct and immediate bearing upon the eradication of poverty” and that “in the light of experience gained over many years, the Committee holds the firm view that poverty constitutes a denial of human rights”.¹⁵

It would thus be well worth the effort to initiate a capacity-building program that enhances the knowledge of AA staff and partners on human rights and sustainable human development and the macro-economic dimensions of the poverty alleviation debate.

Learning from what has worked

There have been cases where CSOs have managed to influence the content of the PRSP somewhat to the advantage of the poor and marginalized. However, the time and effort required to bring positive change in PRSPs has left many in civil society wondering if the changes brought about were indeed worth the time and effort spent. Moreover, CSOs are keenly aware that influencing an in-country PRSP process is only the beginning of a protracted engagement, one which would have to focus on national budgets, multi-lateral and bi-lateral country assistance strategies, PRSCs, and PRGFs.

Tracking the reflection of PRSP priorities in “downstream” loan instruments and grant allocation would remain an important exercise. Engagement will entail a lot of time and effort; the danger of non-engagement is that governments and WB/IMF will get away with virtually no accountability to anyone except themselves.

PRSP engagement requires persistent and deeply coordinated interaction, both among civil society and between civil society and government. CSOs may want to make their participation conditional on some key demands being met by the government prior to committing themselves to the initiative. Successful CSO engagement has, until now, had the following characteristics:-

"Framework for Participation" : Civil society participation in PRSPs is being demanded by multi-lateral and bilateral donors as a key conditionality. CSOs must therefore negotiate a comprehensive and far-sighted “Framework for Participation” with their respective governments prior to the start of the process. This Framework can be used to help minimize token participation as much as possible by addressing issues of information disclosure, prior notice, comprehensiveness & continuity of dialogue, methods of poverty diagnosis, etc.

Civil Society Desk at the government PRSP Secretariat : ActionAid Kenya provided financial support for a civil society nominee to sit in the PRSP Secretariat during the entire PRSP drafting process. This person coordinated CSO inputs and participation. Kenyan NGOs found this Desk to be vital.

Sectoral Civil Society Working Groups : CSOs should form sector specific working groups whose members will be mandated to participate in the government’s PRSP sectoral committees. These CSO working groups must consult with and be accountable to wider civil society actors. One of their key tasks, besides opening up policy space for CSOs, could be to draft CSO written submissions to the PRSP secretariat.

Civil Society PRSP Newsletter: The Malawian Economic Justice Network (MEJN) has such a newsletter which is a very effective way to publicly voice CSO positions on various matters, and to flag important forthcoming lobbying opportunities, events, and meetings.

¹⁵ Statement (A/CONF.191/BP/7), UN Committee on Economic, Social, and Cultural Rights, May 4, 2001.

PRSP Final Drafting Team: In most countries, this final drafting team has almost exclusively comprised of government ministries, with the Ministry of Finance having the most influence. There is currently a debate within CSOs regarding whether they even want to be members of the final drafting team since some believe it is prudent to remain on the outside at this last stage and thus not have ownership of the final document in case civil society disagrees with its content. This would allow CSOs to retain the moral authority to offer a critique.

Donor Funds for CSO Activities: Sustained and well-coordinated participation and policy lobbying will require finances. CSO internal preparatory consultations, CSO outreach to poor and marginalized communities during this process, facilitation of marginalized groups to participate in PRSP related forums will have financial implications. Donors will be keen to facilitate civil society engagement in PRSPs and will approach CSOs either individually or through representative coalitions. Therefore it is imperative that CSOs develop their own position on the issue of acceptance of funds keeping in mind issues related to cooption, quality of engagement, and legitimacy of their policy advocacy.

PRSPs and Elected Representatives: CSOs may want to insist that the highest elected legislative body in the country, and not the Boards of the WB/IMF, approve the final PRSP draft. The IFI Boards should instead use a national PRSP as a key reference document when approving CASs and loans and grants. Thus approval of national documents should rest only with elected representatives in the highest legislature.

Breaking the “Washington Consensus”: So far, almost all final PRSPs have included the prescription of privatization, de-regulation, and liberalization of the economy. CSOs must, from the outset, insist that alternative policy options be considered in the PRSP alongside the favourite neo-liberal quick-fixes. CSOs should meet the challenge of alternative economic policy options by teaming up with academia to formulate viable alternate economic growth and poverty reduction solutions.

Tips for Future Organising

The purpose of this table is to provide civil society with options for next steps in their PRSP related engagement. Please bear in mind these are suggestions, not prescriptions, and may not be comprehensive in nature. The intention is to offer “food for thought” and to enable them to jump-start the process if need be.

Nascent (Haiti)	I-PRSP (Nepal)	PRSP (Malawi, Kenya, Rwanda)	PRSP & Beyond (Uganda)
<p>Countries where the I-PRSP process has not yet begun can learn from the experiences of those that are at later stages of this process. Collect information (both explanatory and critical) on the PRSPs.</p> <p>Start networking with national CSOs/movements and all relevant organized sectors with the intention of initiating a dialogue on the PRSPs.</p> <p>If CSO consensus is to engage with the process, establish transparent & accountable in-country CSO coordination mechanism up to grass-roots level.</p> <p>If CSO consensus is to engage with the process, establish working relations with CSOs in other countries which may be at similar or later stages of the PRSP cycle for cross-learning opportunities.</p> <p>If CSO consensus is to engage with the process, develop fund-raising sources and mechanism for CSO expenses related to PRSPs</p> <p>Inform the Government and WB/IMF country representatives of CSO intention of working on PRSP formulation.</p> <p>Establish CSO sectoral working groups charged with the responsibility of submitting inputs to Govt.</p> <p>Develop an efficient information-sharing mechanism.</p>	<p>Countries that are embarking upon an I-PRSP can learn from those that have moved on to PRSPs. Although the WB/IMF do not believe widespread participation to be a guiding principle for the I-PRSP, CSOs should engage in the process as early as possible and as much as possible.</p> <p>Negotiate a “Framework of Participation” with the Government and WB/IMF, detailing issues of information disclosure, prior notice, comprehensiveness & continuity of dialogue (PRGFs and PRSCs must also be transparent & participatory), methods of poverty diagnosis, etc.</p> <p>Strengthen links with associations of the poor in order to facilitate their participation in the process.</p> <p>Strengthen CSO coordination and networking. Develop CSO capacity to engage and facilitate debate on social as well as financial issues and on micro as well as macro frameworks.</p> <p>Initiate dialogue on policy alternatives to WB/IMF policy prescriptions of privatization, de-regulation, and decentralization.</p> <p>Demand an independent review of the impact of all previous WB/IMF policies and programs in the country so as to better inform all as to what works and what does not.</p> <p>Ensure I-PRSP dialogues builds upon existing acceptable national priorities/processes and compliments them.</p> <p>Establish strong links with press and media; perhaps even develop capacity of journalists to write effectively about PRSP process.</p> <p>Establish a Civil Society PRSP desk in the PRSP Secretariat.</p>	<p>Countries that are in the midst of developing a PRSP should not only participate vigorously in the process but also think of post-PRSP monitoring mechanisms.</p> <p>Ensure informed and robust participation in all important PRSP dialogues.</p> <p>Facilitate representative participation of all groups, especially the poor and marginalized, in PRSP dialogues.</p> <p>Develop and submit alternative perspectives through “Citizens Report Cards”, “Participatory Budgets”, “Public Hearings”, etc.</p> <p>Insist on PRSP consultations being held in smaller towns and villages; organize such meetings if Govt. and donors fail to do so.</p> <p>Insist on consultations being held in native languages so as to allow local people the opportunity to participate vigorously.</p> <p>WB/IMF should provide translators for their staff/consultants, if need be.</p> <p>Maintain accountability to wider CSO community.</p> <p>Develop post-PRSP monitoring mechanisms.</p> <p>In final draft PRSP, insist that all policy options and recommendations not included be attached as an attachment to the final report with explanations as to why these were not included.</p> <p>Final PRSP must be approved by the highest elected representative body of the country before it leaves for Washington, DC.</p> <p>Reserve the right to prepare a final CSO critique of the PRSP which should be submitted to the Boards of WB/IMF at the time the PRSP is put up for approval.</p> <p>Continue capacity-building.</p>	<p>Countries that have developed a final PRSP must turn their attention to the next processes: monitoring the translation of PRSP priorities into the national budgets, national policies, PRSCP/PRGFs.</p> <p>Operationalize participatory monitoring mechanisms to monitor implementation.</p> <p>Participate in development of PRSCs and PRGFs with a view to ensuring PRSP priorities are reflected in subsequent loan instruments.</p> <p>Conduct independent impact assessments of impact of policies.</p> <p>Offer capacity-building and resource persons to countries at nascent stages of PRSP development.</p>

Appendix 1: ActionAid Rapid Review of PRSPs : Notes for the Questionnaire

Background context

In 1999, the IMF and World Bank undertook to encourage governments to prepare development strategies with broad-based participation of citizens' groups. The institutions called upon low-income governments to prepare Poverty Reduction Strategy Papers (PRSPs) with citizen input in order to qualify for external assistance. PRSPs have replaced documents called "Policy Framework Papers" (PFPs). PFPs had been developed by the IMF with scant input from the World Bank or constituencies in borrowing countries.

Since 1999, close to twenty countries have begun the process of developing Interim and for some then, full PRSPs. Important gains have been made in the scope and quality of public participation with many observers regarding the process as unprecedented in widening the scope for public engagement.

In 2001, it is also clear that the rhetoric of the IMF, the World Bank and many borrowing governments is a far cry from the reality. Analysis of the first generation of interim and full PRSPs suggests that core pre-PRSP structural adjustment policies have been uncritically retained in the PRSP era. Most SAP-related documents are not disclosed to the public, despite the fact that they contain a myriad of commitments by a borrowing government to implement policies with far-reaching implications for citizens and the natural environment. In most cases the PRSPs have treated poverty strategies as projects of safety-net measures attached to specific wide-ranging SAP-related policies.

ActionAid and its partners have actively engaged in the formulation and monitoring of PRSPs either through support for national coalitions, running of national and district for a, technical assistance for poverty assessments among others. It is timely that a review be conducted to draw out some of the main reflections of key AA and partner staff.

Review purpose and design

With the collaboration of country office staff, ActionAid USA is conducting a rapid review of ActionAid's institutional engagement with the PRSPs and related policy processes such as the IMF Poverty Reduction and Growth Facility, World Banks Poverty Reduction Support Credit and Country Assistance Strategy and national budgets.

The primary purpose of this review is to reflect on our experiences of the processes of engagement and the emerging policy and budgetary framework in relation to social economic and political rights and key group interests.

Based on an initial assessment of all AA three-year plans and secondary materials, we have decided on the following seven countries; **Africa: Uganda, Malawi, Rwanda and Kenya, Asia: Vietnam and Nepal, LAC: Haiti.** This incorporates the following criteria; difference of engagement levels, open/closed policy environment, size of Bank/Fund portfolio and HIPC/non HIPC.

Key policy messages from this review will be extracted and with input from country programmes developed into policy brief for World Bank and IMF PRSP/PRGF review processes. Various country offices that are planning concerted engagement around the formulation and implementation of PRSPs in 2002 will find this an important resource.

Schedule

Questionnaire will be sent to selected CPs:	Nov. 20
Completed questionnaire returned by CPs:	Nov. 27
Telephone interviews conducted with relevant staff:	Dec. 3-7
Draft report completed:	Dec. 17
Draft report circulated to CPs for comments:	Dec. 23
CPs comments received by:	Jan 10, 2002
Teleconference with interviewees	Jan 12, 2002
Final report completed:	Jan 18, 2002
Planning for Bank and related policy engagement	Late January onwards.

Please keep these notes. We thank you in advance for sharing your country's experience for the review. Besides this questionnaire, we will be talking with you to get a better understanding of your involvement and will also be referring to secondary and primary material. Please send us any materials that you think would help us appreciate the work you have done and what you plan to do in future.

Please fill out the following questionnaire and send it back to Mishka Zaman and copied to me on the addresses below no later than November 27th, 2001.

Mishka Zaman, Associate, ActionAid USA,
Email: mishkaz@actionaidusa.org and/or mishkazaman@hotmail.com

ActionAid Rapid Review of PRSPs : Questionnaire

1. Prior Organizational Experience/Relationship

1.1 Did your organization have an institutional relationship with the World Bank prior to PRSPs?

Yes _____	No _____	Please tick one only
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1.2 If yes, please state around what (policies, issues or projects) this relationship revolved?

1.3 Did your organization have an institutional relationship with the International Monetary Fund prior to PRSPs?

Yes _____	No _____	Please tick one only
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1.4 If yes, please state around what (policies, issues or projects) this relationship revolved?

2. Reasons for engaging in the PRSP and related policy processes

2.1 Please state why your organization get involved in the PRSP process?

2.2 How do you relate this involvement with your organization's overall strategy?

2.3 Please state when you start working on PRSPs in terms of months and year?

2.4 Who initiated your organization's involvement with the PRSP?

For example, was it self-initiated, or was an invitation to participate in a meeting/workshop extended by the Government/World Bank/NGO Coalition?

Please elaborate

3. Reflecting on strategies

3.1 Approximately how many Government or World Bank/IMF organized PRSP-related consultations/meetings/workshops has your organization attended/participated in so far?

3.2 Which level/s of PRSP-related consultations have your organization been invited to?

<i>Level</i>	<i>Please tick</i>
Local	
Regional	
Provincial	
National	
Other (Please describe)	

3.3 Has would you rate your institutional preparedness to engage in the same various policy processes?
Only rate the processes that are relevant to your context.

Policy processes	Relevant <i>(tick if so)</i>	Very poor	Poor	Good	Very Good
Poverty Assessments					
Interim Poverty Reduction Strategy Papers					
Poverty Reduction Strategy Papers					
World Bank Country Assistance Strategies					
World Bank Poverty Reduction Support Credit					
IMF Poverty Reduction Growth Facility					
IMF mission consultations (Article IV etc)					
Government national budgets					
Other (please state)					

3.4 Please state on average how much notice is your organization given to prepare for the consultative meetings around PRSPs and related meetings above? *Please indicate this in terms of days, weeks, months etc.*

3.5 Has this notice on average been adequate? Yes ___ No ___ If no, please state what this cost your organization in terms of the quality of representation

3.6 What do you think is the “added value” your organization brings to the policy dialogue?

3.7 Which of the following strategies did your organization employ to engage and influence policy processes?

Strategies	Please tick any
Formal meetings with relevant Government officials	
Formal meetings with relevant World Bank country office staff	
Formal meetings with relevant IMF country office staff	
Informal meetings with relevant Government officials	
Informal meetings with World Bank country office staff	
Informal meetings with relevant IMF country office staff?	
Formal meetings with visiting Bank/Fund missions?	
Informal meetings with visiting Bank/Fund missions?	
Writing of policy/position papers	
Writing of responses to policy drafts	
Mobilising of coalitions/networks	
Mobilising of international/networks	
Organising of press/media briefings/conferences	
Support for urban/rural community and interest organizations to participate in Govt and Bank/Fund dialogues	
Support for Government offices to reach out to communities and NGOs	
Other (please state) _____	

3.8 Please state which, if any, of the above strategies in your opinion were particularly successful and why this was so?

3.9 Please state which, if any, of the above strategies in your opinion were particularly unsuccessful and why this was so?

3.10 Please share any strategy that was particularly successful in opening up participation space for you and why this was so?

4 Space for participation and impact on the policy framework

3.6 Has would you rate the efforts of policymakers to keep you and your constituency informed and involved in the shaping of various policy processes? Only rate the processes that are relevant to your context.

Policy processes	Relevant <i>(tick if so)</i>	Very poor	Poor	Good	Very Good
Poverty Assessments					
Interim Poverty Reduction Strategy Papers					
Poverty Reduction Strategy Papers					
World Bank Country Assistance Strategies					
World Bank Poverty Reduction Support Credit					
IMF Poverty Reduction Growth Facility					
IMF mission consultations (Article IV etc)					
Government national budgets					
Other (please state)					

3.12 Have the following groups been directly engaged and influential in the following policy processes?
(If irrelevant to you or you don't know please leave the cells blank)

Policy processes	Groups/Sectors <i>(please type Y for yes and X for no)</i>						
	<i>Govt</i>	<i>Donors</i>	<i>Business Assoc.</i>	<i>Prof. Assoc.</i>	<i>NGOs</i>	<i>Assoc. of the poor</i>	<i>Other (please state)</i>
Poverty Assessments							
Interim Poverty Reduction Strategy Papers							
Poverty Reduction Strategy Papers							
World Bank Country Assistance Strategies							
World Bank Poverty Reduction Support Credit							
IMF Poverty Reduction Growth Facility							
IMF mission consultations (Article IV etc)							
Consultative Group meetings							
Government national budgets							
Other (please state)							

4.1 Which of the following groups has your organization facilitated to participate directly in consultations? Please tick

<i>Groups</i>	<i>Please tick</i>
Women	
Elderly	
Pastoralists	
Landless	
Small Farmers	
Small Traders	
Unionized Workers	
Unemployed	
People with disabilities	
People with AIDs	
Other	

4.2 List three groups or sectors that were effectively included in PRSP consultations and why you think this was the case?

4.3 List three groups or sectors that were effectively excluded in PRSP consultations and why you think this was the case?

4.4 Were there groups/sectors who tried to participate but were unsuccessful? Please describe which groups these were and what were the principle reasons they could not participate?

4.5 How would you characterize the level of transparency in PRSP related decision-making at the Government level? *Please tick on only*

Very transparent	Somewhat transparent	Fairly secretive	Very Secretive

4.6 How would you characterize the level of transparency in PRSP related decision-making at the NGO level? *Please tick on only*

Very transparent	Somewhat transparent	Fairly secretive	Very Secretive

4.7 How have NGOs and non-profit organisations built consensus on common positions? *Please describe your internal decision-making processes.*

5. Degree of policy influence in PRSPs and related policy processes

5.1 What would you identify as the five more important demands that you made in the context of PRSP policy formulation and rate the extent to which they were included in the PRSPs and subsequent policy processes? *(Rate between 1-4, 1 being lowest and 4 being highest)*

Demands	PRSP	Subsequent policy (please state)	National budget allocations
1.			
2.			
3.			
4.			
5.			

5.2 Please look at the following areas and paraphrase any important demands that relate to them that you have made alone and/or in conjunction with allies. *It is not necessary to respond to all the areas, careful selection of the more relevant ones would be more useful to the review*

Areas	Demands
<u>Civil and Political Liberties</u>	
Right to Information	
Right to Associate and Organize	
Other (please describe)	
<u>Socio-Economic Rights</u>	
Right to Healthcare	
Right to Education	
Right to Work	
Right to Healthy Environment	
Right to water	
Right to Social Security ¹⁶	
Right to Land	
Right to Food	
Right to Shelter	
Other (please describe)	
<u>Group Rights</u>	
Rights of children	
Rights of women	
Rights of Elderly	
Rights of disabled people	
Rights of people with HIV/AIDS	
Rights of Workers	
Other (please state)	
<u>Macro-economic Issues</u>	
Privatization	
Taxation	
Trade Liberalization	
Other (please state)	
Public Administration	
Poverty Monitoring	
Financial Sector Reform	
Civil Service Reform	
Privatization	
Other (please state)	
Other (Please state)	

¹⁶ Right to Social Security: this Right has been recognized by the (i) Universal Declaration of Human Rights (UDHR), (ii) International Covenant on Economic, Social, and Cultural Rights (ICESCR), (iii) Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) amongst other international Instruments.

What are the specific issues and demands which your organization advocates within these sectors *vis a vis* the PRSP?

Do you feel the PRSP consultations effectively analyze your inputs?

5. Which of your organization's sectoral concerns were/are reflected in the final PRSP? Please mark "X" in the matrix below if you feel they were reflected.		
Sectors		Please mark with "X"
Civil and Political Liberties	Right to Information	
	Right to Associate and Organize	
	Other (please describe)	
Socio-Economic Rights	Right to Healthcare	
	Right to Education	
	Right to Work	
	Right to Healthy Environment	
	Right to Social Security ¹⁷	
	Right to Land	
	Right to Food	
	Right to Shelter	
Group Rights	Rights of Children	
	Rights of Women	
	Rights of Elderly	
	Rights of Disabled	
	Rights of people with HIV/AIDS	
	Rights of Workers	
	Other (please describe)	
	Other (please describe)	
Macro-economic Issues	Privatization	
	Taxation	
	Trade Liberalization	
	Other (please describe)	
Public Administration/Tax Reform		

¹⁷ Right to Social Security: this Right has been recognized by the (i) Universal Declaration of Human Rights (UDHR), (ii) International Covenant on Economic, Social, and Cultural Rights (ICESCR), (iii) Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) amongst other international Instruments.

Financial Sector Reform	
Civil Service Reform	
Privatization	
Agriculture & Land Reform	
Fisheries/Forest & Environment	
Water Policy	
Poverty Monitoring	
Other (Please describe)	

Linkage between Basic Rights and Policy-making

VI. Replication of Policy Influence

Has there been a significant shift in budgetary allocations between sectors since the final PRSP? If so, please describe.				
Sectors		Substantial Change	Incremental Change	No Change
Civil and Political Liberties	Right to Information			
	Right to Associate and Organize			
	Other (please describe)			
Socio-Economic Rights	Right to Healthcare			
	Right to Education			
	Right to Work			
	Right to Healthy Environment			
	Right to Social Security ¹⁸			
	Right to Land			
	Right to Food			
	Right to Shelter			
Other (please describe)				
Group Rights	Rights of Children			
	Rights of Women			
	Rights of Elderly			
	Rights of Disabled			
	Rights of people with HIV/AIDS			
	Rights of Workers			
	Other (please describe)			

Macro-economic Issues	Privatization			
	Taxation			
	Trade Liberalization			
	Other (please describe)			
Public Administration/Tax Reform				
Financial Sector Reform				
Civil Service Reform				
Privatization				
Agriculture & Land Reform				
Fisheries/Forest & Environment				
Water Policy				
Poverty Monitoring				
Other (Please describe)				

Has the government initiated any new sectoral policies or programmes since the final PRSP? If so, please elaborate.

Has the PRSP led to any specific changes in governance? If so, please elaborate

Has the PRSP led to any specific reforms? If so, please elaborate.

VII. Extent to which participation has affected government-bilaterals and multilateral aid agencies.

1. Has the PRSP process led to any changes in the portfolios of bilateral or multilateral aid agencies? If so, please mark "X" where changes have occurred.			
Bilaterals	Policy	Procedures	Grants/Loans
DFID			
EU			
USAID			
Other (please name)			

4.5 In your opinion has the PRSP changed the nature of policy-making around poverty concerns, social and economic rights and participation in any way? Yes ___ No ___ In either case, please state why you think this?

VIII. Lessons

In your opinion, what are some of the lessons that your organization has learnt during its engagement with the PRSP process?

If you had the opportunity and the resources, what would you do differently *vis a vis* your organization's engagement with the PRSP process?

If you had the opportunity and the resources, what would you not change during your future involvement in the PRSP process?

In your opinion, what were some of the trade-offs of your organization's PRSP involvement in terms of other initiatives/activities, etc?

Do you feel your organization has achieved its PRSP related objectives? Please elaborate.
What have been some of the unexpected outcomes of your organization's PRSP engagement (e.g. in terms of skills, insights, knowledge, profile, etc)

IX. Next Steps

Has your organization planned its future involvement with PRSPs? If so, please list some of the next steps that your organization intends to take.

X. Yours Comments

Do you think this Rapid Review will help your organization in its future lobbying related endeavors?
Would you have designed this questionnaire differently?
Would you like a copy of the primary and secondary material collected for the purposes of this study?

Thank you for taking the time to answer this questionnaire !

How does your organization frame its PRSP related demands? Please provide a few concise examples.

Appendix 2: Country Briefs¹⁹

Haiti

*Haiti At A Glance*²⁰

Population : 7.8 million

Population : 7.8 million

Population per sq. km (1997): 271.8

Population growth : 2.0 %

Life expectancy (1998): 54 years

Population below national poverty line : ..

GNP per capita : 460 US\$

GDP (1998): 3.9 billion US\$

US relations with Haiti have been particularly strained since the May 2000 parliamentary elections and the present Government has taken a hard line partisan position, instructing to withhold economic aid during a time of increasingly desperate social and economic times in Haiti. Until the political impasse in Haiti is resolved, there will be no movement from the IFIs and bilateral donors on the economic and social development front.

The World Bank views Haiti's ineligibility for HIPC as follows:-

“The international community has agreed on three basic criteria for ensuring that the scarce resources available for HIPC debt relief are channeled to countries that need it most and are committed to applying the freed-up resources for poverty and social programs. These criteria call for the existence of the following:

Poverty---HIPCs are among the very poorest countries in the world;

Unsustainable debt, generally measured as any amount higher than 150 percent of export revenue after receiving debt relief from traditional sources; and

Demonstrated commitment to poverty reduction and economic growth through sustained implementation of social and economic reform programs.

Despite being very poor and having a relatively significant external debt level, Haiti does not meet all the criteria for HIPC assistance. Current projections indicate that after taking advantage of other sources of debt relief, Haiti's debt will be reduced to well below the 150 percent target mentioned above, thereby bringing it down to a sustainable level.

More importantly, Haiti needs to make significant strides in strengthening governance and institutions, and show a commitment to reducing poverty. In the meantime, the international community has responded to Haiti's development needs with large grant assistance that will keep external debt at manageable levels over the coming years”.²¹

Kenya

*Kenya At A Glance*²²

Population:29.4 million

Surface Area (1997): 580.4 thousand sq km

Population per sq. km (1997): 50.3

Population growth : 2.3 %

¹⁹ These country briefs have been written by Vidhya Muthuram, ActionAid USA Associate, and have been extracted from complete papers. To request a copy of the complete papers please email vidhyam@actionaidusa.org.

²⁰ *World Development Indicators Database*, World Bank, 1999.

²¹ *Haiti and the Heavily Indebted Poor Countries Debt Relief Initiative*, World Bank Website, posted November 2000.

²² *World Development Indicators Database*, World Bank, 1999.

Life expectancy (1998): 51 years
Population below national poverty line : ..
GNP per capita : 360 US\$
GDP : 10.6 billion US\$

US government policy actions towards Africa, regardless of Republican or Democratic administrations, originate out of conceptualizations and definitions of American interests, which are usually articulated in terms of strategic, economic and national interests. Under the Bush administration, US transnational corporate interests particularly in energy and financial services will be major sources of influence in defining US economic interests in terms of policies which open markets and create favorable investment climates in Africa. The IMF is one of the most powerful actors affecting Africa's economic development.

It yields tremendous power through its role as gatekeeper of international assistance to the countries. The Fund's increased interest in addressing inequality, social exclusion and poverty has emerged because they recognize that as long as the poor are not benefiting from economic reforms, governments will not be able to continue to maintain them politically. The WB has a long history in Africa and much of its assistance was provided through the IDA to support economic and social reforms, regional cooperation and integration activities, human development, in particular the fight against HIV/AIDS and investments in infrastructure.

In the 1980s, Kenya was among the major aid recipients in Africa. The 1990s have witnessed a steady decline in Development assistance to Kenya occasioned by a perception of poor governance and mismanagement of public resources and development assistance. In 1997, major donors to Kenya formed an Economic Governance Group, chaired by the World Bank, to address issues related to governance and assistance programs. United Nations agencies and international and local Non-Governmental Organizations also have a strong presence in Kenya.

Currently the WB's role in Kenya is to help improve economic growth and reduce poverty through the Economic and Public Sector Reform Credit and to support the implementation of the country's Poverty Reduction Strategy Paper, whose aim is to improve the living conditions for Kenyans by promoting broad based growth and poverty reduction.

Malawi
Malawi At A Glance (1999)²³
Population : 10.8 million
Surface area (1997): 118.5 thousand sq. km
Population per sq. km (1997): 109.2
Population growth : 2.4 %
Life expectancy (1998): 42 years
Population below national poverty line : ..
GNP per capita : 190 US\$
GDP : 1.8 billion US\$

In the context of Malawi, the World Bank, the European Union, and the United Nations are the major active multilateral agencies. Britain, Canada, Germany, Japan, the Netherlands, and the United States are the major bilateral donors. Almost all donors are involved in a variety of programs in agriculture, infrastructure, finance, the social sectors, and the environment, with a common aim of reducing poverty. An interim Poverty Reduction Strategy Paper²³ was completed in 2000, and a full Poverty Reduction Strategy Paper is expected to be completed around September 2001. Donor coordination in Malawi is improving. Major donors and

²³ *World Development Indicators Database*, World Bank, 1999.

sectoral donor working groups in the areas of economic management, poverty reduction, water and agriculture meet regularly. At the most recent Consultative Group meeting, held in Lilongwe in May 2000, donors pledged to assist the country with a total of \$1.1 billion over 2000 and 2001. The Government has also developed a National AIDS Strategy, which donors have pledged to support.

Rwanda

*Rwanda At A Glance*²⁴

Population : 8.3 million

Surface area (1997): 26.3 thousand sq. km

Population per sq. km (1997): 320.0

Population growth : 2.5 %

Life expectancy (1998): 41 years

Population below national poverty line % : ..

GNP per capita : 250 US\$

GDP : 2.0 billion US\$

Rwanda is one of the most heavily engaged countries in Africa by US based organizations. Rwanda is critical because of the unsustainable political and sub-optimal economic recovery\reform paths being pursued since the 1994 genocide. USAID support for privatization and other policy reforms, MDBs and public and private security related entities are prime advocacy targets. The PRSP process could be seen as an avenue to engage the government critically and supportively in the CAS process. The recovery of Rwanda's economy has largely been sustained by external financial institutional assistance. Coordination among donors has continued to improve and the United Nations has taken steps to include the donor community in drafting the new Development Assistance Framework.

Uganda

*Uganda At A Glance*²⁵

Population : 21.5 million

Surface area (1997): 241.0 thousand sq. km

Population per sq. km (1997): 101.8

Population growth : 2.7 %

Life expectancy (1998): 42 years

Population below national poverty line : ..

GNP per capita : 320 US\$

GDP : 6.3 billion US\$

Uganda is an important country to engage in because of the degree of IFI, MDB, and donor finance development activities. Uganda has been able to receive financial resources under the IMF's Enhanced Structural Adjustment Facility, PRGF and the WB's PRSC. Such financial support has enabled Uganda to register high levels of economic growth, but also increased levels of transitional poverty. If such activities prove to be unable to support sufficient and sustainable processes of growth and development, it will be critical that alternative analyses be provided as "lessons learned".

USAID support for privatization and other policy reforms, MDBs, and US bilateral and multilateral support associated with export led growth models (AGOA and the WTO) and health (HIV-AIDS) are prime advocacy targets.

²⁴ *World Development Indicators Database, World Bank, 1999.*

²⁵ ²⁵ *World Development Indicators Database, World Bank, 1999.*

Nepal

*Nepal At A Glance*²⁶

Population : 23.9 million

Surface area : 147.2 thousand sq. km

Population per sq. km : 167.3

Population growth : 2.3

Life expectancy (1999): 58.2 years (1999 estimate)

Population below national poverty line % : ..

GNI per capita : 220.0 US\$

GDP : 5.5 billion US\$

US policy objectives towards Nepal include supporting democratic institutions and economic liberalization, promoting peace and stability in South Asia, supporting territorial integrity, and the alleviation of poverty. USAID has been a major contributor to Nepal's development and its programs support agriculture, health, environment, democratization, and economic liberalization efforts in Nepal. A new strategy for USAID/Nepal, approved in Fall 2000, embarks upon new Strategic Objectives in hydropower, health and governance, and completes earlier work on women's empowerment and agro forestry. However, USAID's development program is threatened by increasing violence by Maoists throughout the Nepali countryside.

The WB's operations in Nepal began in 1969 and poverty reduction has been the main objective underlying the Bank's activities. The WB's CAS, approved in early 1999, places new emphasis on two key areas: 1) inviting participation and bringing resources closer to the local people who benefit from and are affected by development projects, and 2) encouraging the various international donors active in Nepal to coordinate their efforts to give the most efficient and effective overall assistance to the country in its poverty reduction efforts.

Nepal has drafted an interim PRSP.

Vietnam

*Vietnam At a Glance*²⁷

Population : 78.5 million

Surface area : 331.7 thousand sq. km

Population per sq. km : 241.2

Population growth : 1.3 %

Life expectancy (1999): 69 years

Population below national poverty line % : ..

GNI per capita : 390 US\$

GDP : 31.3 billion US\$

After a 20-year hiatus of severed ties, President Clinton announced the formal normalization of diplomatic relations with Vietnam in 1995. US relations with Vietnam have become deeper and more diverse in the years since political normalization. The two countries have broadened their political exchanges through annual dialogues on human rights and regional security. They signed a BTA in July 2000, and are actively pursuing agreements in other areas. The current US Administration initially took a harsh stance, delaying sending the BTA to Congress for approval and opposing loans in the World Bank and the IMF. However, the BTA was

²⁶ *World Development Indicators Database*, World Bank, 2001.

²⁷ *World Development Indicators Database*, World Bank, 2002.

sent to Congress and is likely to be approved, notwithstanding human rights problems. A cornerstone of relationship remains cooperation on the issue of Americans missing from the war in Vietnam and the US considers achieving the fullest possible accounting of Americans missing and unaccounted for in Indochina to be its highest priority with Vietnam.

Economic stagnation marked the period after reunification from 1975 to 1985. In 1986, the Sixth Party Congress approved a broad economic reform package called "Doi Moi," or renovation that dramatically improved Vietnam's business climate. Soon Vietnam became one of the fastest-growing economies in the world, averaging around 8% annual GDP growth from 1990 to 1997. Simultaneously, investment grew three-fold and domestic savings quintupled. Agricultural production doubled, transforming Vietnam from a net food importer to the world's second-largest exporter of rice. Foreign trade and foreign direct investment also improved significantly. However, during the Asian financial crisis, Vietnam's domestic problems worsened, with export growth falling sharply from around 25% in recent years to only 2.1% in 1998. This fall was attributable mainly to the collapse of regional markets, which account for two-thirds of Vietnam's total exports and by the large devaluation in crisis countries.

After a 15-year hiatus in World Bank activity, Vietnam has grown to become the largest IDA-only borrower in the world (as of December 1999). The WB's CAS was developed in close partnership with the Government of Vietnam and in consultation with its development partners -- representatives of civil society, other donors, and local and international NGOs. Vietnam's IPRSP makes concrete the Government's policy stance with respect to economic growth, hunger eradication and poverty reduction, in order to guide the donor community's support in this process.