

Theme III: Institutionalizing the PRSP in the CIS 7

Theme III on *Institutionalizing the PRSP* focused on recent experiences affecting the interactions between government, parliament, local government, civil society and the media, and on how these processes are being institutionalized. Alison Scott, Senior Adviser from DFID, UK, presented the context for addressing these issues, challenging participants to focus on the steps necessary to transform document preparation (PRSP) into a development process which integrates all key stakeholders. Ms. Scott laid out the virtuous circle of a PRSP, flowing from policy formulation to budgetary allocation, to policy implementation, monitoring and evaluation, as a system feeding directly into an ongoing policy formulation cycle. *For intra-governmental* institutionalization to be more effective, Ms. Scott urged decision-makers to integrate the parallel PRSP committees/secretariats created in the early phase of PRSP development into regular structures, involving the Ministry of Finance and line ministries in a managed dialogue on prioritization, implementation and evaluation.

In terms of the institutional arrangements *outside* government, Ms Scott stressed that the vertical structures with government will work more effectively if horizontal linkages with parliaments, local government, civil society, the media, and other bodies are in place. These institutions/constituencies are important participants in testing, implementation, validation and adjustment of poverty reduction strategies over time. For effective participation to take place, the transparent and regular flow of information is crucial, because without it, the building of inter-institutional relationships may be undercut by public suspicion and distrust. Access to user-friendly information improves understanding and enables governments to improve policies and make mid-course adjustments as necessary.

As PRSP institutionalization proceeds, Ms. Scott pointed out that changes in institutional arrangements will meet resistance in most countries. The solutions to these blockages include a strategic approach to communications, openly identifying problems and constraints, and focusing on the long-term payoff of economic growth, firmer democracy, and poverty reduction.

Many issues identified under the theme of “Institutionalizing the PRSP” will develop as part of an emerging culture of openness, transparency, and accountability in all corners of life in the region — government, the judicial system, business, and civil society.

Working groups were organized to flesh out the policy and operational implications of institutionalizing the PRSP across civil society/communities, the parliament, local government, and the media. Each group addressed three or four specific questions which sought answers and concrete approaches to issues affecting their specific participation in the process

The Working Group on *Community Empowerment* focused on the participation of the poor and other vulnerable groups in the formulation and implementation of poverty reduction strategies. Issues were analyzed from three perspectives:

- social accountability
- state building
- resource management.

Presentations by Mr. Sahib Mamedov from *Save the Children Azerbaijan*, and Mr. Yodgor Faizov from the *Mountain Societies Development Support Program (MSDSP)* in Tajikistan were featured in the session. Participants identified multi-stakeholder participation in monitoring and evaluation, sound community-based information systems and enabling legislation as important elements in building *social accountability*. With respect to *state building*, decentralization was seen as a key enabling factor, acknowledging however the intensely political nature of the process. With regard to *resource management*, communities need to be more aware of physical, financial, human and social resources (social capital), and make better use of them. The country presentations underlined the need, in a number of the CIS countries, to link emergency relief to support to local development actions. Experience shows that centrally administered programs frequently create a sense of dependency among target population and result in limited sustainability since beneficiaries were not involved in design. Good community empowerment entails strengthening community capacities to analyze the local resources, plan together as group, access resources,

implement planned activities and assess the success of such activities - using the village organization as an institution linked to the broader system of government.

The *Parliamentary Working Group* was chaired Mr. Eldar Gahramanov, Member of Parliament from Azerbaijan. The presenter was Ms. Natasa Milojevic, Member of Parliament from the Federal Republic of Yugoslavia. To enhance the contribution of parliament as an institution to PRSP design and oversight, participants proposed that MPs facilitate cross party support for the PRSP, and view it as an economic development process in which they all have an important stake. There was strong support for linking the review of the budget to PRSP priorities, and for establishing PRSP and cross-sectoral committees to guide design and oversight over time. MPs could be more active spokespersons on poverty reduction in order to raise public awareness of the PRSP. MPs should receive timely information from the executive branch on budget and PRS matters. MPs in turn could also improve their own communication strategy with local governments and society through more regular and effective outreach activities. MPs in the CIS 7 countries uniformly need capacity building and access to comparative experience in order to strengthen their ability to analyze and comment on budget and PRS processes. MPs also need core professional staff to support their own analytical and oversight functions. They require independent information - through an informed media and other sources.

The *Local Government Working Group* was chaired by Ondrej Simek, *Local Government and Public Service Reform Initiative*, Open Society Institute, Hungary, and was facilitated by Erkinbek Kasybekov of *Counterpart Kyrgystan* and Christine Musisi of *UNDP Regional Support Center*, Slovakia. Local governments operate closely to the poor, and therefore know the extent and nature of poverty at the local level. They have the mandate to provide social services to the poor (i.e. shelters for homeless, reintegration of poor, elevating the status of the poor above the poverty line, etc.). Effective local governments have the ability to mitigate poverty by stimulating local economic initiatives - attracting investment, creating jobs, and increasing local revenues.

Representatives from Azerbaijan and Kyrgyz Republic described the experiences of their countries throughout the preparation of the first full

PRSP in their country, using both traditional and new approaches. Among the obstacles which undermined the process were: failure of the national governments to adequately communicate the main directions of the PRSP to the local level; corruption and poor governance in many local governments; weak legislative and fiscal frameworks for self-government systems in many countries; and unclear division of responsibilities and fiscal relations between national and sub national governments. Local governments have a keen interest in playing an active role in the PRSP, especially in monitoring and implementation. Among the specific recommendations:"

The main recommendations from the group include:

- Establish an **expert group** of the CIS-7 countries on monitoring and implementation of PRSPs. E-mail could be used to facilitate communication. External partners could be asked to provide the analytical work
- Ensure the active **participation** of local government representatives in PRSP learning events
- Build the **capacity** of local officials in budgeting, management, and public participation. Twinning programs could be considered.

The Role of the Media Working Group was chaired by Timothy Carrington of WBI. The panelists were Dosaly Esenaliev, Communications consultant, Bishkek, Kyrgyz Republic, Tulegen Askarov, Journalist, Kazakhstan, George Krinsky, International Center for Journalists, Almaty, Kazakhstan, and Valeriu Vasilica, Director, Info-rim, Moldova. The premise for the session was that information is key to building informed strategies to fight poverty. It was widely accepted that effective media are essential for a functioning democracy and for the development of sound economies. This works best when there is a sound two-way communication — with messages sent out and messages heard. The design and implementation of PRSPs require information outflows, together with steady feedback to help monitor and evaluate progress. Poverty issues that confront the media cannot be separated from more general issues arising in the development of a strong and effective media - especially in the CIS-7 countries which are just beginning to build the traditions and practices of independent media.

Some of the key problems confronting the media:

- A lack of financial **independence** which compromises editorial independence;
- Lack of **capacity** —especially in economic and social issues;
- Absence of adequate **code of ethics** or conduct to build trust between the media, their audiences, and sources of information.
- Lack of access to **information** with government and private agencies unwilling or unable to meet information demands;
- **Censorship**—direct or, more commonly, self-censorship.
- **Cost and literacy** levels limit poor people's access to the media; TV, computer-based communication, and even newspapers;
- Poverty reduction issues may not sell newspapers: a financially independent press determines content based on perceived **appeal** to the audience.

Despite these constraints the media have achieved greater freedom in recent years to report on economic and financial issues. In Kazakhstan, for example, journalists have improved and expanded their coverage, sometimes illuminating shortcomings or unintended consequences of specific policies, leading the government to select an alternative policy or make a mid-course adjustment. Moldovan radio has become involved in fund raising to support HIV/AIDS-afflicted families. In the Kyrgyz Republic, the press was identified both as a chronicler of the PRSP process and as a stakeholder in the process.

Recommendations from this session include:

- **Training** for journalists in economic and financial issues;
- Establishment **codes of ethics** and conduct;
- Progressive **loosening of censorship** and self-censorship constraints;
- Development of economically **viable news organizations**
- For promoting poverty reduction, **alternative forms** of communication are needed—such as bulletin boards, community theatre, or low cost local newspapers.