

**Session F – WB-CSO Global Policy Forum
Second Round of PRSs and policy alternatives
21 April 2005**

Chair: H.M Gunasekera

Two tasks: share experiences of implementation, identify new & alternative policies to be incorporated into new PRS.

Discussants:

Jean-Pol Everard – French CSO

What is experience of Caritas network in Africa & frenchspeaking Africa. PRS based on 3 basic pillars: ownership, participation, co-ordination of donors. In second cycle of PRSs, we have to deal with alternatives: One lesson learned is the need to consider new political options, and CSOs should contribute to this. Ownership is an important matter to CSOs. Need a lot of progress to make on this point in the second cycle. Ownership has not been the success story of the last 5 years. Urgency of producing the PRSP to participate in the HIPC initiative. How to guarantee ownership in 2nd cycle? We don't want any more imposition from WB, IMF.

Participation of CSO – in 5 years, during first cycle, some efforts were made, but the results were disappointing. What is meant by participation? IFIs talk about consultation and participation. What we experienced was consultation, not participation. People called to a meeting 48 hours before meeting, received documents during the meeting and give an opinion immediately. The language of the documents – in francophone Africa, was in English. How to guarantee participation when basic docs are not in local language? Do we have to translate – we can offer summaries of docs to give access to people. Docs also not well understood and not easily understandable - Highly technical. The PRGF should be drafted in a language understandable to most people. Information access and availability is needed. Not easy for gov and CSOs.

Need a cultural revolution within gov and CSO. Change the way we work and stop seeing each other as the enemy – appreciate each other's capacities and learn to work together. We face the same challenges, how can we face the challenges together?

Coordination amongst donors needed, but progress is very slow. Bilateral and multilateral donors need to coordinate in order to support PRSs.

On the second cycle, how can we develop alternative policies which will fully benefit the poor and reach the MDGs?

Justine Odjoube (Benin gov)

Benin coming to end of PRSP1 and about to start PRSP2. Large participation of population in formulation of PRSP1. But problem with CSO is that they're not organized in Benin. There are 900 – 1000 NGOs. When gov wants to engage these NGOs, cannot

engage the 1000 NGOs. But those engaged by gov, do not feedback to the rest of the NGO community. Lacking in PRSP1 – programme for the development of women was not included in PRSP1, and we have to include this in PRSP2. Poverty analysis was different in rural and urban areas, no similarity in methodology. Re implementation, social sectors received a lot of financing. But money seems not to have reached the poor people.

Re decentralization – very much at the beginning of it, but it has to be pro-poor.

With CSOs, we can succeed.

Paulo Cuinica (Mozambique CSO)

PRSP1 – PARPA. There was no time to do a broad consultation because of the pressure – floods in 2000 was devastating and country needed resources to keep running. CSOs participated in process of implementation of Parpa. Successful – we set up forum for discussion of poverty issues: Poverty Observatory, which resulted for discussions between gov and CSOs.

Gov participates with 20 members, donors, 20 members and CSOs – 20 members also called the G20, comprising TUs, faith groups, NGOs, employers' assn. and academic and research instis. With acad and research working with CSOs, will help to produce alternative policies for second PRSP.

AS CSOs, started an exercise to produce an annual report on poverty which is fact-finding results: voices of poor are heard and put onto the annual report. This is a complementary process to the reporting that gov does, gives life to the statistics compiled by gov, and will influence process of implementation of PRSP.

Decentralise of process of planning down to district level. Ds have their own plans and budgets – there is more participation of people, whether in terms of implementing plans or collecting taxes. In Nampula, the d was able to collect taxes more than the entire. So participation brought a stimulus to tax collection.

In next PRSP, need an integrated doc and strategy, instead the sum of sectoral plans of ministries. Need integration to reflect the needs of the country, not by sector. Need also to cross the different instruments of planning: MDGs, Nepad, Agenda 2025, 5 year plan of gove and PRSP. All instruments must be well-coordinated to reflect global targets, continental strategies and those of the country. Alternative policies will arise out of the process. Need for partnership between academics and CSOs to help develop the alternative policies. So we attempt to bring them closer to us.

In PRS, there is the strategic matter, and the plan of action which operationalises the plan of gov, addressing the issue of poverty. 60% of resources go to implementation of PRSP.

Hassan Raha reports on the CSO discussions yesterday:

Key issues we brainstormed yesterday: PRSPs have offered a new space for dialogue amongst stakeholders in countries, but implementation has varied widely in terms of

process and content. Lessons learned from implementation show there are shortcomings:

1. Participation – varied experiences, but majority lack meaningful participation. Not satisfied with the level of public involvement in development of strategy. Lack of timely involvement, limited to a small number of CSOs, exclusion from discussion of some parts of strategy, lack of feedback on CSO inputs. Need to strengthen participatory processes for PRSP 2.
2. National ownership – dominance on the part of government, CSOs seem to have no role to play after the first consultative process. They do not feature in implementation monitoring and evaluation. Need for parliaments to endorse PRSPs, since funding for PRS will come from budget. This may improve government commitment and accountability.
3. Capacity constraints of CSOs – remains major. Many do not have adequate resources and technical personnel, so unable to contribute substantively to PRS discussions, esp. on macro-economic discussions. Need to build their capacity to ensure active participation and sustained participation. Resources for capacity building should be made part of the PRS process itself.
4. Lack of harmonization between PRS and other planning strategies. National development plans are not in harmony with PRS – implies that different parts of gov are not clear about their roles. Risks divergence and puts pressure on capacity and resources of government.
5. **Donor assistance, harmonization and alignment** – PRS have not yet served as a tool for donor harmonization and alignment. Disagreements amongst donors over priorities. Donors support the development of PRS, but difficulties in implementation
6. Need for realism in PRSP 2 – in time and resources. Need translation in income growth, employment development, improved services, etc.

1. General Points from session

HelpAge int'l. Issues raised are similar to issues in the am. In context of Tanzania, which has completed its PRSP2, to be launched officially in May, with budget processes to complement PRSP 2 will be decided in July.

Dominance of districts – under local gov reform, districts will be at the sharp end of implementation. Participation of CSOs and Districts facilitated by HAI is good. But it requires district focus. Accountability of districts in overall process.

In Benin, decentralized institutions in communes, which participate.

Integrated strategy of all sector plans. In Tz, PRSP2 is outcome-based, not sector based. The doc is in 2 stages: the narrative which sets the framework, and the matrix which sets the cluster strategies and goals. It harmonises the existing policies. At the moment, this is in paper, and the challenge is in implementation. EG, for health targets, how will these relate to health strategy? It will be a challenge to the ministry to align their budget with the PRS.

Participation. CSOs were made part of cross-cutting group. The vulnerable groups were defined: environment, youth, women, elderly, HIV-Aids, etc. and against them, the

necessary goals and strat were defined. Participation was well-managed by the Office of the Vice Pres.

In Yemen, lessons were learned and these lessons were used for prep of PRSP2: established a board, extended participation of PRS and private sector, established a policy committee to review policies, eg., macro-eco, decentralization, etc. Lessons re prioritization, which we did not do in PRSP1. Now prioritized the goals for PRSP2. And identified cross-cutting issues such as gender, environment. Participation was active from needs assessment.

In Senegal, national NGOs organized themselves into a consortium and as such are able to participate in PRSP formulation. Rural CSO network is an actor when state consults the rural population, also women's consortium, youth. With political will, real change can be realized. During PRSP1, due to the problems, the government established a strategy which is good practice – to take account of CSO capacity. Second PRSP, we created 4 poles: 1 – NGOs, 2 – trade unions, 3 – women groups, 4 – formal and informal associations. Each CS sub-group has to get organized. Government earmarked some of its budget to help sub-groups organize themselves and transmit information to their bases. Satisfactory results in communication and information dissemination. Have to organize society into homogenous components.

On basis of difficult experiences in some (francophone) countries, participation was poor due to political conditions. It's indispensable to work within a network – not just international networks but national networks. Some colleagues were directly threatened because of the questions they ask of government – so important for CSOs to work in networks, to develop complementarity. Lack fo capacity – capacity exists, but not always easy to use them. It's necessary to lower conceptual barriers in CSOs, and among CSOs if we have to formulate the second cycle of PRSPs.

National ownership – government made sure that participation of CSOs does not end. We are invited to developing guidelines for monitoring poverty strategy implementation. The first meeting held had a multi-stakeholder participation. Those involved in the formulation stage of PRS were brought together for developing the PMF. Data to come from gov and CSOs were invited to contribute data and analysis.

Pre-condition is government political will, and development partners also need to provide the platform for CSO engagement.

Diversity of CSOs – we have different views and ideas. What's important is to work together, even as we respect those differences. EG, working with private sector, trade unions, so long as each actor respects the views of others.

Resources for CSOs – when we coalesce, we can utilize our limited resources and pull them together. In Moz, with the pulling of limited resources, we were able to get the views from 10,000 people, and now relying on our existing capacity to be involved in second PRS.

Capacity constraints – unpack what capacity needs to be built. CSOs have capacity, it's a fallacy to think they do not have capacity. The problem is the level of incorporation and recognition of the CSO analyses, which are different from what WB and gov analysis.

Role of CSOs – beyond participation, should not be limited to formulation of PRS, should not be an event-related thing. Assuming we're going to be given the platform to be involved in all the aspects of the PRS cycle, are we going to be ready for it? CSOs to be involved in negotiation to say what government does not have the guts to say or is unwilling to say.

There are preconditions to CSO involvement. We need to set up mechanisms: information provision, language of documentation. Many people are willing to act, but they have to be trained – better understand the problems, analyse them and propose solutions.

Content of PRSP:

Timeframe of PRSP2 – should it be 3 years, 5 years, 7 years? Who determines the cycle? Should we determine the timeframe in our countries? 3 years might be too short.

Economic growth – the fashion is to put growth projection at 6-8%. But most economies do not attain that. Are we trying to be too ambitious with our projections? We must put in more realistic growth projections. Economies in developing countries are highly dependent on the economies of their neighbours and of developed countries. Experience of exogenous shocks.

Redistributing wealth means you have to create wealth first. There are resources that we do not control (eg price fixing of commodities).

The IMF PRGF factsheet indicates that macro-eco issues should be part of the discussion, but the conclusion of the IEO of IMF, there has been limited discussions of alternative policy options – fiscal, trade, land reform, foreign investment regulation, domestic investment have been excluded from the deliberations. PRSPs make the assumption that the macro-eco framework are consistent with poverty reduction objectives. Need to include macro-eco framework in PRSP2, as well as policy alternatives.

Governance We have problems of governance problems – it's not easy to fight corruption, and we hope to pay attention to governance problems in PRSP2 (Benin). Need to analyse the impact of policies on poverty, before they are included in PRSPs. For the first time, we created a clear institutional framework in order to monitor achievement.

Trade – this does not feature in PRS, but everyone knows that so long as we do not have access to international markets, diversification of markets and regionalization of markets, subsidies in the north, etc. We need to include trade issues in the PRSPs.

Project or budget support – where should donors put their money? To sectors? Or to a basket?

Role of private sector – has to have a role in formulation, and can contribute to the reduction of poverty

Value of PRSP – this has been questioned as to whether it will reduce poverty really. So in Malawi, gov wants to focus on national development & economic growth strategy. But this is just pillar 1, and if gov want to concentrate on pillar 1` goals, then it is excluding other pillars.

Inconsistencies between PRS and other sectoral policies. If PRSP2 does not address MDGs, Education for All. What is the level of flexibility of PRSP2 – sector policies are there and PRSPs are not clear.

Poverty levels – To what extent do PRSP2 not dollarised? Or simply looking at GDP data. But in reality, the life of people are worsening? Can we do without dollarisation of our growth?

Re enthusiasm and mobilisation for PRSP2 is varied. In Bolivia, the more important part was IMF policy imposition, tax reform, etc. So their experience is that PRSP was less valuable than the IMF policy. If hyou want to mobilize CSOs, you need to get gove to give this process meaning and credibility. Very often, it is frustration that macro-eco conditions are not discussed. Need to put them on the table, and avoid imposition of conditions from WB and IMF. Make it possible to discuss policy alternatives in the public and that will enable these issues to be achieved.

Dissatisfaction with PRGF operating mechanism. There is disagreement between UK and US on how to finance debt reduction. US don't want IMF to sell its gold. NGOs have not yet come up with a position. Since PRGF is very unpopular, then drop the PRGF and get the finances for debt relief instead.

IMF factual points: PRS documents appear on WB and IMF websites in English because that is our working language. In the countries, eg in francophone Africa, then the countries do their prsps in French. On PRGF – IMF's IEO found little macro-eco in PRSPs. Internal staff review of PRGF arrived at same conclusion – it's a frustration to IMF staff too. We have not found simple answers to getting more macro more integrated into PRSPs, no easy solution found yet.

Questions: case of Tz could be used as best practice case. But re participation, to what extent was CSO involved in PRGF deliberation? And how much impact did CSO have on PRGF?

On Moz case, how successful has this been in reducing poverty in Moz? – We've gone 15% more than our goal.

Rep of Yemen experience: first PRSP prepared in 2001 for implementation in 2003-05. Currently preparing PRSP2, in line with MDG assessment, and set up mid-term plan to achieve the MDGs. Finished with need assessment for MDGs. In July, finalizing prsp2.

FromWB, have you listened to CSO criticisms?

In Ghana, currently redesigning the PRSP2. PRSP1 was rushed through because it had to meet the deadline to meet HIPC status, meaning the CSO consultation was suspect and was mainly urban-based consultations. With first draft, there was a lot of engagement, saw it as a good opportunity to inform the citizens about medium term dev programme for the country. We sensitized people on the doc, and gave them the basis to question. This meant that a lot of questions were posed to the national planning commission, which had to roll out implementation. In 2003, draft was rolled out which included commentary from CSOs. They included a matrix of comments and included how comments were taken on board and if not, why it hasn't been taken on board. For seoncd GPRS (finishing in 2005), the experience of implementation will feed into the revision. Challenges include:

1. GPRS was prepared to fulfill requirements for HIPC status. Now having reached HIPC, there is a framework. What about the other components of GPRS that are not covered by HIPC.
2. GPRS not prepared in relation to budget
3. Revision of GPRS is to do with conflicting pressures. 2005 is threshold for governments to show how they will achieve MDGs – how they will use the GPRS to achieve MDGs. But there are also competing priorities, such as NEPAD priorities. In this situation, politicians confused about priorities.
4. International, bilateral, multilateral funding support that conflict with the GPRS. Eg the millennium challenge account which goes vs the GPRS. Global funds for Aids – conflicting things that need to be managed.

Experience in Mali in relation to the judiciary: in informing population about changes in constitution, magistrates were helpful.

Key issues on lessons learned and proposals:

1. Participation

- Requires the political will of government to open up the processes of PRS cycle to wider participation. This can be assisted with a change of culture around government/CSO relations – where those relations can be seen as complementary rather than conflictual or contradictory.
- Expand participation to private sector, local government and parliaments – not part of PRSP1 processes, but should be as they are key actors in poverty reduction. Particularly in the case of local government where in a decentralizing environment, LGUs now have responsibilities for delivery of government services and achievement of goals. But they are not part of strategy formulation, this can undermine accountability.

- CSO participation effective through networks which draws together the different strengths of different kinds of CSOs. This means that the ability of CSOs to self-organise is important – where networks already exist, these can serve as platforms for participation, where they do not exist, they have to be created. But networks need to feedback to and inform the wider membership of CSOs.
- Participation not just in the formulation of the PRS, but in implementation, monitoring and evaluation. This is challenging to individual CSOs as it requires stamina to engage over the whole cycle. But this may be more manageable through CSO networks. Participation needs to be sustainable – to do this, do not overlook using traditional mechanisms that already exist in the society, at the community level.
- Preconditions for meaningful participation include the setting up of mechanisms by government and donors, ensuring the language of PRSPs are in the local language, creating enough time for consultation and participation, clarifying areas where CSO inputs and independent analyses will be particularly helpful, providing resources to act – financial, knowledge.
- Governments need to consider opening up their negotiations with donors, eg in PRGF or PRSP, to CSOs.

2. Ownership

- A lot depends on the political will of government to take charge of the process of PRS development. This may be undermined by donor intervention, but it could also be enhanced with donor support to government.
- Ownership can also be affected by the multiplicity of international strategies – sectoral or multi-sectoral that governments have signed up to: such as the MDGs, sectoral initiatives like EFA, continental initiatives like Nepad Infrastructure Plan and national governments’ own development goals. There is a need for government to be in the drivers’ seat in harmonizing these multiple global, continental, sectoral goals and targets with its own national goals and targets.

3. Content of PRSPs

- PRSP1 did not include macro-economic framework, nor issues such as trade, employment generation and others which contribute to poverty reduction. PRSP2s will need to include these.
- Timeframe of PRSPs – currently this is set as 3-years, but perhaps it’s necessary to go beyond the 3-year timeframe, as strategies take time to be implemented and to show outcomes. Why not a 5-year or 7-year timeframe? Important that the timeframe be set by the government itself.
- PRSP1s were mostly based on sectoral strategies, this did not allow for consideration of how sectors contributed to each other’s targets, goals and achievement of these goals and targets. It may be necessary to look at integration of sectoral goals and strategies in PRSP2s, and instead of defining sectoral targets, define general outcomes to which different sectors need to contribute. This will be challenging to sectoral ministries, but should be looked into anyway.

- Poverty and environment linkages not strong. PRSP2s need to see the relevance of the environment as a cross-cutting issue, The natural resource base is a core component of improving livelihoods, particularly where natural resource base is key component for growth and development as well as poverty reduction.
- Social protection measures, eg, for the carers of HIV-Aids and orphans, now included in some PRS (Tz)

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4. Growth

- Growth projections in PRSP1s were over-ambitious, and it's not clear what their basis were. Need to base PRSP2 on more realistic growth targets. Maybe we need different scenarios on the basis of different assumptions, with different plans that can be achieved if different growth projections are reached.
- Also need to look beyond GDP measurements and dollar measurements to find out whether poverty is really being reduced.
- Relabeling poverty strategies as growth strategies, but the objective is still poverty reduction, not growth. HIPC obsessed with social sector spending, and raised spending on social sectors, but the outcomes from social sectors were not tracked. Unless Africa can raise its growth rate to 7%, looking at PR over a long period of time. The challenge is to articulate growth strategy that will work for a country, which requires more country-specific analytical work. (Lessons of the 1990s – the best performers are not necessarily the best reformers, eg., China.)
- Cannot focus on growth alone, at the expense of poverty reduction, because it may result in exclusion of vulnerable groups. That is the history in Africa, esp. around structural adjustment programmes.

5. Implementation and monitoring and evaluation of PRSPs

- Structures to implement the strategies (local governments) do not have capacities, financial resources, information and data gathering structures.
- This is being affected by donors' conflicting priorities, and lack of co-ordination amongst donors.
- Resources for implementation are necessary, ref. Jeff Sachs report on MDG achievement, donor implementation of MDG 8 commitments. If these resources will flow in, then IMF will relax its macro-eco framework conditions. Unless IMF are clear about where the money comes from, then conditions for macro-eco will be more strict.
- In monitoring and follow up of PRSP achievement, CSOs have a role, and goes in parallel to implementation of PRSP plans. Comparative advantage of CSOs, especially in local level monitoring and data-gathering. The information can then be provided as an input into performance monitoring and progress reporting of government.