poverty reduction: are the strategies working?

towards mutual responsibility and accountability:
can the new poverty reduction strategies engage the poor?

A World Vision UK report in partnership with WV Zambia and WV Bolivia
Edited by Fletcher Tembo (PhD) Economic Justice Policy Adviser

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This report is a product of analysis of three research reports submitted by consultants and World Vision UK’s analysis of the 2005 political and policy environment, especially with regard to aid effectiveness. The main source of this report, among the three reports, was the report submitted by Dr. Sam Hickey, of the University of Manchester and Dr. Giles Mohan of the Open University. They drafted their report from analysis of the Bolivia and Zambia reports and their own literature review. Dr. Inyambo Mwanawina of the Centre for Social and Economic Research, University of Zambia, conducted the research in Zambia while Valerie Mealla (lead consultant), Marco Gutiérrez, Miriam Carreón, Raúl Baltasar; and José Pinto research carried out the research in Bolivia. All these people deserve most profound thanks.

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<th>Acronym</th>
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<tr>
<td>ABB</td>
<td>Activity-based Budget</td>
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<td>ACP</td>
<td>Africa, Caribbean and Pacific</td>
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<td>ADRA</td>
<td>Adventist Development and Relief Agency</td>
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<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
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<td>BESSIP</td>
<td>Basic Education Sector Support Investment Programme</td>
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<td>CBoH</td>
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<td>CDF</td>
<td>Comprehensive Development Framework</td>
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<td>CIDSE</td>
<td>(English version) International Cooperation for Development and Solidarity</td>
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<td>CLUSA</td>
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<td>EBRP</td>
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<td>GNI</td>
<td>Gross National Income</td>
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<td>Government of the Republic of Zambia</td>
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<td>GTZ</td>
<td>Gesellschaft für Technische Zusammenarbeit</td>
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<td>HiP</td>
<td>Harmonisation in Practice</td>
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<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<td>Performance Assessment Framework</td>
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<td>World Vision</td>
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<td>Zambia Social Investment Fund</td>
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“In our efforts to strengthen the contributions of States, civil society, the private sector and international institutions to advancing a vision of larger freedom, we must ensure that all involved assume their responsibilities to turn good words into good deeds. We therefore need new mechanisms to ensure accountability. …

…The business of the summit to be held in September 2005 must be to ensure that, from now on, promises made are promises kept."

United Nations, 2005a, In Larger Freedom Report, paragraph 22, authors' own emphasis

The last three decades of development assistance have clearly shown that the road from “good words” to “good deeds” or from “promises made” to “promises kept” is often paved with good intentions but is never fully travelled—resulting in very patchy impacts on poverty. This has partly been because those saying the good words or making the promises have often shied away from making binding commitments as to what they will actually deliver and when.

Patchy impact on global poverty

Every week in the developing world, 200,000 children under five die of disease and 10,000 women die before giving birth. Moreover, 115 million children in developing countries are not in school.

UN MDG Report, 2005b: World Bank, GMR, 2005

“In Larger Freedom” report. As part of this new focus on accountability, agreements have sought to include specific indicators of progress and targets, including specified time frames, necessary for a greater “momentum for implementation” (World Bank, 2005a). Official Development Assistance (ODA) which at the moment, includes resources realised through debt relief, is one such area where commitments to accountability must be made. World Vision, alongside other NGOs, is lobbying the UK government and Development Assistance Committee (DAC) to implement ambitious time-bound indicators and targets for aid effectiveness, which include mutual accountability, as outlined in the Paris Declaration of March 2005 (OECD 2005b). This report, however, argues that just as country ownership is key to achieving greater mutual accountability between donors and developing countries for development objectives, deeper domestic accountability is critical to authentic ownership. This is an agenda that should not be left to developing country governments alone.

Poverty reduction strategies (PRSs) have the potential to expand poor people’s opportunities to influence the government-donors relationships and to promote downward accountability. This should accordingly, increase the amount of donor resources that reach the poor and, even more importantly, the quality of these resources for poverty reduction. This type of relationship with the poor will transform aid from being an act of charity to an act of justice, where poor people have the opportunity to affirm their identity and dignity.

This report argues that fundamental improvements to PRSs are required, if they are to become the mechanism for poor people to both influence and hold the national poverty reduction processes, including donor-government relationships, accountable. This radical improvement is required in the diagnosis of poverty, consultation processes in the PRSs; embedding PRSs in political systems and processes; accountability and conditionality, and civil society involvement. The overall theme is to explore the prospects for moving from consultation to influence, and from conditionality to accountability, with regards to interactions between states, donors and citizens within poverty reduction strategy processes. This should accordingly set the framework for donor transformation of priorities, systems and procedures for alignment; and affect the wider governance of the aid agenda. The increased presence of donors and external agencies at country-level, resulting from decentralisation/ deconcentration, is affecting domestic relations and politics, in which the PRSs are located, in significant ways (cf. Driscoll with Evans, 2005; DFID, 2005; Booth with Piron, 2004).

There is, however, no clear donor policy on working with these actors, including civil society.

The arguments for this report are built on the results of case study research in Zambia and Bolivia on PRSs together with earlier research on ‘Voices of Children on MDGs’ (Twiza, 2004) that fed into the advocacy report of Grow up Free from Poverty. We also take into consideration other studies on PRSs in other low-income countries to a limited extent, in order not to lose focus on the key issues. Bolivia and Zambia both offer an interesting case, they were chosen primarily for the stage they are currently at with PRSs, and possibilities of easier entry for research given our partner’s presence and good relations with the government. This report, albeit unintentionally, offers a chance to engage readers with a debate that is based on two contrasting countries and societies: Bolivia bearing the characteristics of a low-income country under stress ( LICUS), and Zambia politically ‘stable’ but economically struggling. This enriches the analysis of PRSs in that the different societies and political
configurations could almost be put as polar opposites, therefore, we can envisage a mixture of countries in between. This is not in terms of performance on PRSs, but in how we can locate PRSs within them as a mechanism for better accountability. It becomes clear from this analysis that the quality of relationships matter the most, above any macro-economic framework and system, in any accountability agenda.

Key recommendations

1. PRSs must be fully embedded in the national development policy-making process, with well-institutionalised civil society participation. This will result in PRSs providing the poverty focus of key national decisions; as well as being instrumental for achieving alignment within governments, and with other stakeholders including donors and civil society.

2. Where developing countries do not have the capacity to lead a PRS process together with the donor harmonisation and alignment agenda, a UN agency must take the lead. The UN agency should be able to lead this process alongside the capacity building and decentralisation initiatives and commit to incrementally leaving it to country leadership. This is important if PRSs are to be de-linked from control by funding imperatives, such as HIPC, as well enabling adequate time for rooting them in the emerging pro-poor domestic institutions.

3. PRS design processes must include medium and long-term political mapping strategies using tools such as DFID’s ‘Drivers of Change’ approach. This will guide donor mechanisms for supporting internal PRS processes, especially relationships (funding and dialogue) with different national actors. In LICUS situations, conflict context analysis should also be carried out using tools such as World Vision’s ‘Making Sense of Turbulent Contexts’ (MSTC). As part of the policy coherence agenda, this action should also mean that the foreign policy objectives of bilateral donors are aligned with development objectives rather than the other way round.

4. The drawing of indicators and targets and monitoring systems for progress on ownership, alignment and harmonisation between donors and governments should be based on both PRS sector priorities and budgets, and include consultations with civil society. Lessons from multi-stakeholder Monitoring and Evaluation of PRS (including use of results from PSIA) and the donor harmonisation and alignment processes, should be the basis for review of indicators and targets.

5. PRSs must be costed and funded based on a ‘value adding’ approach that starts from the grassroots to the national level, and include capacity building activities both within government and non-state actors in order to nurture broad-based responsibility. The Medium Term Expenditure Frameworks that donors align to, however, must encompass solid legal ring fencing of resources for direct MDG focused activities.

6. Conditionality and performance frameworks must be based on principles of promoting human rights and strengthening domestic accountability using transparently agreed (including parliamentary sign-off and civil society involvement) policy and poverty outcomes. They should be used for the incremental building of trust, which is important for partnership.

7. Civil society involvement in PRS processes should be formalised in donor development cooperation policies with developing countries using transparent legal frameworks. This should include a clear policy on provisions for improving Civil Society participation in policy dialogue within the General Budget Support, rather than relying on independent and unilateral donor choices.

8. Special attention should be given to vulnerable groups, especially children and people living with disabilities, in the design and monitoring of PRSs. This should be done from a rights-based approach and should always be part of Performance Assessment Frameworks (PAFs) that donors use for budget support decisions.
Figure 1: Map of Bolivia and Zambia
More donor countries have put a time table to their commitment in meeting the target of 0.7% of their GNI, which when set 35 years ago was not a binding agreement. For the first time donors have agreed on a process of setting indicators and targets for delivering aid, as a way forward towards delivering on the Rome agreement on Harmonisation and Aid Effectiveness.

Current ODA figures include debt relief, especially in that debt relief creates fiscal space for higher development expenditure when it reduces the amount of debt repayments actually being made. Then it becomes the same as the direct inflows of budget support (Carey, 2005).

See http://www.worlddivision.org.uk/resources/ukan+letter+to+dac.pdf. To this effect, the G8 Finance Ministers’ call for the OECD DAC “to set by September this year, ambitious and credible targets against all the indicators of progress agreed at the March meeting” (paragraph 3) is applauded. However, the results of this endorsement should be seen in the actual delivery of concrete and ambitious targets at the end of September.

This report is based on consultations with children and their families in 18 countries in the different regions of the world, which also included Zambia and Bolivia (see Figure 1) for map of Zambia and Bolivia.

Both of these countries have been selected for the first wave of 18 countries eligible for the 100% debt cancellation deal agreed by the G8 Finance Ministers meeting in London, June 2005 (UK HM Treasury, 2005). Hence, they will face issues of accountability on debt relief resources along with their implementation of their second generation PRSs.

This should include the ability of a particular government to effectively work with civil society and achieve a pro-PRS budget structure. The government should be able to abide with the budget structure over the medium to long term period (cf. Mutesa, 2004), with exceptions of legally and transparently (parliamentary approval and publicly communicated) agreed deviations.

Drivers of change “is a way of understanding the political economy of change and poverty reduction in developing countries. It directs attention to the structural and institutional factors that likely to “drive” change in the medium term, and to the underlying interests and incentives that affect the environment for reform. The local situation rather than preconceived policies must be the point of departure” (DFID, 2005, p.44, authors own emphasis).

The World Bank seems to suggest this in its position on harmonisation and alignment (World Bank, 2004). However, our case studies show that this is not yet the case in practice. The same observation comes up in the Global Monitoring Report, 2005.

Striking a balance between ring fencing resources for social sectors and enabling capacity building within national actors and systems to deliver in the long term, will be the critical area of tension for donor supported PRSs in the immediate future. This will especially be the case in the HIPCs that are currently benefiting from the 100% debt cancellation agreement by the G8, where politicians are clearly making the demand for children in education, health and access to water. The key to managing this tension within PRS lies still in greater transparency of all donor-government actions and agreements to the people, including through parliaments and civil society.

For bilateral donors, this will certainly require having a clearly articulated policy on working with civil society in their broader international development policies that go beyond funding to policy dialogue.
Political and Development Context, the place of Poverty Reduction Strategies

The year 2005 is described as a historic year both politically and in the arena of development. One reason for this is the unique occurrence of the UK government leading both the G8 Summit and the EU presidency in the same year. Significant moments, with regards to the weight of political decisions purposed to address poverty, include the Commission for Africa, the signing of the Paris Declaration on Aid Effectiveness, the UN Millennium Review Summit, and the Doha Trade Round in Hong Kong. World Vision is part of the Make Poverty History campaign, a coalition of UK NGOs, which is part of the Global Campaign Against Poverty that includes most countries of the world. The UK government sees the 2005 agenda as one that will generate a sufficient amount of political will behind the call to achieve the Millennium Development Goals. Thus far the Commission for Africa initiative, amid a shaky start owing to doubts as to its relationship to the UK government, has come up with a report (Commission for Africa, 2005). This report is clad with ‘big push’ ideas, which are already part of the pre-2005 G8 Summit campaign. However the challenge of turning these big ideas, especially with regards to aid, trade justice and debt, into action coherently, rather than in a fragmented way, are daunting (Tembo, 2005a). In part, 18 countries have qualified for 100% debt cancellation since the G8 Finance Ministers meeting in London during June.

In 2005 we have seen a strong shift towards accountability in the campaigning pressure for action. For a long time the issue of accountability has been insufficiently addressed, for example in the eight MDGs set at the beginning of the new millennium. With the UN General Secretary placing accountability and responsibility amongst the key markers for the UN Summit (UN, 2005a), the momentum for implementing political decisions is building, although this is not necessarily a guarantee for delivery. The call for accountability is even clearer now that more countries have put a timetable on meeting their goal of 0.7% of GNI, and are pursuing other mechanisms of raising finances for meeting MDGs. These mechanisms include proposals such as the International Finance Facility (IFF) from the UK government and the aviation taxes, initiated by the French government. World Vision believes that a call for more aid has a corresponding call for improved effectiveness: this demands greater accountability.

If these commitments to responsibility and accountability stop with donors and developing country governments, they do not go far enough. This report argues that for accountability to have a real impact on development, it must also find a way to engage with the poor communities themselves. In other words, for the current ‘aid architecture’ to best support the ongoing struggle of the poor to improve their livelihoods, aid must be given in a way that is accountable, including to the poor.

World Vision’s experience of working with children and their families in developing countries, and the experiences of other NGOs, can provide examples of the previous point on accountability. Experience shows that the poor, including children, have much to say about poverty reduction (O’Malley, 2004). For example recent NGO coalition research on children’s dreams for 2015, in which World Vision took part, showed that children want to take responsibility as well as hold local and national authorities to account (Grow Up Free from Poverty, 2005, page 7) for the life circumstances in which they found themselves.

The case studies on which this report is based clearly show that greater support for children’s rights is needed for this form of accountability to be possible to any great extent. This can be achieved through the expansion of spaces in which their voices can be heard, and through the developing of institutional and political frameworks that are aligned to include the voices of children. In essence, mechanisms for enhancing poor peoples engagement with, and influence upon, the discourse and frameworks of poverty reduction must be fundamentally improved. This would result in poor people being more equipped to influence the priorities, systems and procedures at the government-donor interface (Tembo, 2004). If this does not happen, the national level donor-government alignment will be incomplete and incoherent with the poverty reduction objectives. Furthermore, the international political that is generated will miss the genuine needs of the poor, and how they can be best addressed. This is because the poor, although living in poverty, do not necessarily stand and wait for external acts of charity. Poor people have dynamic life experiences and their families in developing countries, and the experiences of other NGOs, can provide examples of the previous point on accountability. Experience shows that the poor, including children, have much to say about poverty reduction (O’Malley, 2004). For example recent NGO coalition research on children’s dreams for 2015, in which World Vision took part, showed that children want to take responsibility as well as hold local and national authorities to account (Grow Up Free from Poverty, 2005, page 7) for the life circumstances in which they found themselves.

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The case studies on which this report is based clearly show that greater support for children’s rights is needed for this form of accountability to be possible to any great extent. This can be achieved through the expansion of spaces in which their voices can be heard, and through the developing of institutional and political frameworks that are aligned to include the voices of children. In essence, mechanisms for enhancing poor peoples engagement with, and influence upon, the discourse and frameworks of poverty reduction must be fundamentally improved. This would result in poor people being more equipped to influence the priorities, systems and procedures at the government-donor interface (Tembo, 2004). If this does not happen, the national level donor-government alignment will be incomplete and incoherent with the poverty reduction objectives. Furthermore, the international political that is generated will miss the genuine needs of the poor, and how they can be best addressed. This is because the poor, although living in poverty, do not necessarily stand and wait for external acts of charity. Poor people have dynamic life experiences and their families in developing countries, and the experiences of other NGOs, can provide examples of the previous point on accountability. Experience shows that the poor, including children, have much to say about poverty reduction (O’Malley, 2004). For example recent NGO coalition research on children’s dreams for 2015, in which World Vision took part, showed that children want to take responsibility as well as hold local and national authorities to account (Grow Up Free from Poverty, 2005, page 7) for the life circumstances in which they found themselves.
parliamentary sign-off and did not consult line ministries (World Bank OED, 2004), including those that address the needs of children and marginalized groups, means that they were outside of the alignment agenda. They were, at most, contradictory to underlying principles of harmonisation and alignment.

At country-level we find that the relationship between the OECD-DAC driven ownership, alignment and harmonisation agenda, and the IFI-driven PRSs, exists in principle but is prone to tension in practice. The current OECD role definition (OECD, 2005d) is not able to resolve this tension, especially given the fact that there are also non-OECD donors operating at country level.19 The IFI role is also suspect; given that alignment issues do not neatly fall into their core functions. Meanwhile, the PRS approach has also meant expanded interfaces with other actors besides central government and donors (Booth, 2003). With the first PRSPs there was already some increase in non-state actor participation in dialogue, including the creation of new networks, although they often lack proper organisation. It is arguably the case that the combination of the domestic PRS agenda and the donor decentralisation agenda has led to expansion of developing country level actors, at least in numbers rather than necessarily to the quality of dialogue. This, however, does not mean that the ‘influences of’ and ‘accountability to’ the poor have been sufficiently captured and provided for in PRSs.

The representational possibilities of the poor, including children, through civil society, parliaments and other institutions that are relevant for increasing opportunities for influence and accountability, have not been sufficiently explored. The fact that politics and power configurations matter in PRSs (Driscoll with Evans, 2005; DFID, 2005; Booth with Piron, 2004), illustrated by the case studies in this report, means that society-society, society-state and donor relations with both should not be taken for granted in any future improved PRS. The increased presence of donors and external agencies at country-level, resulting from the decentralisation agenda, is part of this domestic process.

In this regard, despite the increase in civil society participation there has not been a clear policy on institutionalisation of ways of working with civil society for donors and developing country governments alike. For example, whereas DFID recognises the role of civil society in creating space for debate, association and reflection: the relationship with civil society is tied with access to funding, mainly through Programme Partnership Agreements and the Civil Society Challenge Fund. Both of these arrangements are accessed largely by northern NGOs and are meant to achieve outcomes that contribute to DFID’s objectives (DFID Departmental Report, 2005, p.102). There is no mention of how DFID would support the domestic agenda of civil society and government relations, leaving it to assessments conducted by country offices, including with PRSs. On its part the EC has a policy position on working with non-state actors, this is legally binding in the case of the ACP, through Article 6 of the Cotonou Agreement (EC, 2000). However in practice at the developing country level, civil society organisations are regarded as project implementers rather than active policy actors (BOND, 2004). In the cases of both DFID and the EU this has resulted in no clear guidelines on the implications of General Budget Support (DBS)20 to civil society participation at country level, or how this relates to their support for the various stages of the PRS process. In practice, therefore, the actual policy space that civil societies are able to use is constrained and open to abuse by state authorities.

This report aims to explore the possibilities for enhancing the pro-poor governance of PRSs through enabling influence by, and accountability to, the poor; this would include identifying points of engagement for civil society. It is argued that this will contribute to the transformation of relationships between donors and governments within the ownership, alignment and harmonisation agenda. It will also ensure improved quality of investments in poor people’s livelihoods. The first generation of PRSs made positive gains in building a stronger poverty awareness within governments, engaging civil society with policy debates and pointing to the need to harmonise donor engagement with domestic policy processes (ODI, 2004). However, they were weak in the critical areas so as to be useful to the current calls for greater accountability and responsibility, and to ensure that actual poverty reduction is taking place. The first generation poverty reduction strategies were also not properly located within the domestic and international policy making arenas.

Structure of the Report

The following sections highlight how World Vision sought to unpack and contribute to the agenda of the second generation PRSs to explore the potential for engaging poor people into the global mutual accountability agenda. A chapter on the understanding poverty then follows; discussing how particular perspectives of poverty affect both the content of PRSs and the perspectives of the poor versus other actors conducting the analysis of poverty for PRSs. This is followed by the discussion on how ‘representation’ of poor people is
constructed through institutions and individuals, leading to other people or their perspectives being missed. The idea, here, is to try to form a basis for proposing how poor people’s voices could be the basis for PRS consultations. The last two main chapters of the report are on accountability, and donor conditionality and alignment. This is where the issue of what donors do at the interface with governments and domestic actors, becomes fundamental in shaping the way in which a particular PRS process enables downward accountability or not. The report concludes with a deliberate emphasis on the importance of dealing with politics if future PRSs, are to effectively engage the poor in the global aid accountability debate. Each of the major report chapter ends with a set of recommendations and these are repeated at the end in a summary section for readers interested in a snapshot access.

PRS Reviews, Conceptual Positions and Research Questions

More than forty countries now have a PRSP under implementation, while second generation PRSs are emerging in a growing number of countries, including Bolivia, Burkina Faso, Nicaragua and Tanzania. For mainstream observers, the main challenges to the second-generation PRSs concern (i) the declining leverage of the HIPC initiative, and concerns as to whether or not the Millennium Development Goals can provide adequate leverage for donors over poor countries11, whilst (somehow) maintaining a focus on ownership; and (ii) the danger of disillusionment as the promises of this new approach to aid are not realised as rapidly as key stakeholders may expect (Driscoll with Evans 2005).

However, there are broader questions to be asked, and positions to be taken, regarding the PRS approach. Positions on the success of the PRS approach, and of the Post-Washington consensus more broadly, vary. Many on the right argue that the Bank should stick to financial rather than developmental issues. A Marxist position, however, argues that the Bank’s commitment to poverty reduction is a real but secondary objective compared to securing capitalist accumulation and exploitation (e.g. Cammack 2003). Between these are at least three approaches. Perhaps the least ideologically and most strategically-informed position is what might be termed the ‘liberal’ approach. Here, PRSPs are understood as a genuine improvement on the Bank’s previous approach and, if it may not ensure a socially progressive future for the Bank, it is likely to provide a platform from which further gains can be made in this direction. A more critical position, but different in degree rather than type, is generally associated with NGOs and like-minded activists. It maintains that the PRS approach is fine in principle, but that in practice the Bank is merely paying lip-service to the poverty agenda whilst essentially it continues its familiar efforts to deepen the neo-liberal hegemony in the spirit of structural adjustment (e.g. Pender 2001, many international NGOs).

However, for this report, the most useful position (and one that might for now be termed a ‘critical leftist’ approach), is one that recognises that (a) the Bank is essentially continuing with its neo-liberal project but that (b) the addition of poverty reduction and empowerment to its portfolio suggests that a qualitatively different project is underway. The most eloquent proponents of this approach are Doug Porter and David Craig (2003). They coin the term ‘inclusive liberalism’ to capture this ‘new’ expansive agenda, and to show how apparently progressive concerns have become captured, co-opted and re-shaped into forms that are compatible with, and can be easily disciplined by the prevailing orthodoxy (e.g. social capital, decentralised governance). Here, PRSPs and the ‘deep interventionism’ advocated by Stiglitz, are aligned with the broader ‘third way’ approach to social policy in countries such as the UK and New Zealand. In broad terms, this report finds this approach to be the most useful standpoint from which to view the PRS phenomenon, as it currently is, in view of the various evaluation reports and analysis of our case studies.

World Vision’s (WV) own strategic evaluations, plus a growing number of other studies, revealed on-going weaknesses in the governance of PRSs (World Vision 2002, 2004; Wood, 2004; Stewart and Wang 2003; Pirson and Evans 2004; CIDSE and Caritas, 2004). These include weaknesses in the domestic (in-country) policy processes of developing countries; a hindrance to greater developing country ownership, insufficient donor policy alignment with PRSPs, gaps in understanding how policies impact on the poor, weaknesses in assessment of progress on PRSs and failure of PRSs to signal donor lending. Two areas of action can be identified: -

• The need for a strengthening of domestic policy processes in terms of accommodating the voices of the poor, especially vulnerable groups including children.

• The need for better donor alignment/support to developing countries’ Poverty Reduction Strategies, so as to best respond to voices of the poor. The major areas of concern are on donor conditionality (in relation to domestic accountability) and harmonisation, or bringing together of various donor systems including Direct Budget Support.
Ultimately, there is the need for a PRS process, which promotes domestic priorities - of both the poor and of their country. This can be achieved through the promotion of principles that shift the purpose of consultations with the poor and organisations that represent them to influencing. This will also ensure that there is downward accountability on delivery of poverty priorities, and negotiated and poverty-benchmarked alignment and conditionality in partnership with donors.

To this end the project team were charged with addressing the following broad research questions:

- How effective are the PRS consultation processes, including Participatory Poverty Assessments (PPAs) in engendering a multidimensional appreciation of poverty and vulnerability amongst policy makers?
- How effective are the existing mechanisms and decision-making systems in accommodating or transferring the voices of the poor (especially children and women) from the grassroots to national level analyses and finally into PRSPs?
- How accountable is the PRS process to various constituencies, including the poor, focusing on decision-making systems and processes vis-à-vis traditional systems and procedures, for instance?
- What are the nature and implications of donor conditionality and behaviour on the national PRS process, in terms of both the formal and informal procedures and conditions of engagement with the PRS process in case study countries? Could these be challenged/changed through a Poverty Social Impact Analysis (PSIA) approach?

Research Methodology

The methodology combined desk-based research with country case studies in Bolivia and Zambia based on primary and secondary data. Given that the research was to span PRSP engagement from grassroots to the international arena, World Vision engaged independent in-country researchers. At the international level, World Vision UK interacted on an ongoing basis with two UK-based researchers. They produced the research guides based on the broad research questions listed above, current research and theories on PRS and citizen participation in general. World Vision UK concentrated on interfacing with developments on the 2005 political and thematic issues. These developments included those within the Make Poverty History campaign, initiatives undertaken on PRSs and aid effectiveness by the UK government, the EC, the World Bank and the OECD Development Assistance Committee (DAC). A joined up research involving both the developing country and the global agenda was therefore possible.

In Zambia the methodology involved secondary information, grey literature, and primary information in the form of interviews. The interviews covered key informants in government ministries, provincial and district administration, local government, traditional authorities and donors. A limited household survey was undertaken in Lusaka and outlying areas using a purposive sampling method. There were two teams doing the study side by side in Bolivia; the first in charge of the municipal to national context and the second responsible for research on the municipal to grassroots context. The team in charge of the national component of the study interviewed 18 institutions. Additionally, many studies, reports, working papers, evaluations and proposals on the context, design, execution and scope of the PRSP have been consulted. The team in charge of the communal/municipal component gathered information through 42 interviews in six municipalities, three of which correspond to Area Development Programs executed by World Vision and three to programs of other institutions. In terms of geographical coverage two municipalities are located in the highlands, two in the valleys and two in the lowlands.

The UK-based researchers undertook a desk survey of academic studies, donor material, NGO analysis, etc. The main contribution was to place the two case studies within a broader context, by reviewing the literature on issues of consultation, participation, accountability and conditionality. This was done in relation to PRSs and drawing on broader insights from the development policy and politics literature. More specifically, it involved analysing and exploring:

- PRSs with respect to questions of participation and accountability.
- Broader issues of participation, the policy process and politics.
- Different types and experiences of accountability mechanisms.
- Recent PRSP innovations – operational (WB, DFID etc) and critical (ODI, BWP etc) – that may be able to offer insights into how things have unfolded in the case-study countries and suggest ways forward.

Although clearly not fully representative of particular types of countries, Bolivia and Zambia do provide particularly insightful cases of PRSP processes. Along with Uganda, Bolivia can claim to be a forerunner of PRSP approaches, with its early effort to establish the EBRP, and to have influenced IFI thinking on this issue. Although it started later, Zambia can also claim...
Bolivia and Zambia offer important insights into how the PRSP process plays out in different political contexts.

Case study background: situation analysis of politics and poverty

Box 1: Politics and poverty in Zambia

Once one of the wealthiest nations in Africa, Zambia has effectively been in a state of economic crisis since 1974 when world copper prices crashed. It is currently placed 164th on the UNDP's Human Development Index, with life expectancy at 32 years and GDP per capita at $840 (UNDP 2004). Efforts to structurally adjust the economy did little to alter the fundamental problems of poor governance and a precarious position in the global economy. Instead, they were associated with rising urban poverty and declining standards in social service delivery. Over the 1990s, spending on debt service generally exceeded spending on education, health, and all other social services combined; a particular concern given World Vision's focus on children. In terms of human development indicators, Zambia is the only country in the world with lower recorded scores in 1997 than in 1975 (UNDP 2004). Zambia has also been badly affected by the growing crisis of HIV/AIDS in southern Africa, with prevalence rates exceeding 19% in the late 1990s.

There are serious questions over the rights of women in Zambia, which is placed 133 out of 144 on the UNDP's Gender Empowerment Index (UNDP 2004). Women share only 39% of nationally earned income; women's literacy rates are at 56.5% compared to 76.4% for men; and girls are still less likely than boys to either attend or complete school. A recent survey claimed that 30% of all Zambians thought that a man had the right to beat his wife. Similarly, the rights of children are not currently on the political agenda, despite the growing number of orphans as a result of the HIV/AIDS pandemic.

Although Zambia has maintained a level of political stability not generally achieved by its neighbours in this region of Africa, the country's post-colonial politics cannot be characterised as having been developmental or pro-poor. Politics in Zambia can be broadly characterised with reference to the terms of rule of each of the country's three presidents since independence in 1960. For most of the post-independent period until 1991, Zambia was governed by a paternalistic, single-party, centralising government led by Kenneth Kaunda's UNIP this did little to encourage participation from non-state actors. Kaunda's reign ended as a result of mounting opposition against the economic decline and political repression (especially of the media). Multiparty elections were held in 1991, and when Frederick Chilubua's Movement for Multiparty Democracy won by a large majority, Kaunda quietly
gave up his authority. Since then, the politics of ‘development’ have been characterised by privatisation, declining state provision and the increasing role of international actors in setting the agenda. The controversial 1996 elections that returned Chiluba to power, but with a low voter turnout and accusations of government malpractice, did little to help consolidate democracy. When Chiluba handpicked his successor – Levy Patrick Mwanawasa who narrowly won the 2001 election – he did not expect to be subsequently stripped of his immunity and then hounded as part of a wider anti-corruption campaign. This has been one of the few progressive elements of the Mwanawasa regime to date, which has otherwise been characterized by continued tendencies towards neopatrimonial rule.

While the ruling party dominated the political space, the unions and the churches played a strong role in terms of democratization. With the unions claiming power through the MDC, the Catholic Church and its related organizations have tended to be the dominant pro-democracy actors since 1991. This is in terms of political pressure towards democratisation, but also in terms of direct service delivery (education and health) and in advocating for a stronger poverty focus in government. This has often led to strained relations with the state. Catholic Church groups catalysed the establishment of the Civil Society for Poverty Reduction network, which went on to play a key role in PRS consultations.

The political party system cannot be termed pro-poor. According to one observer, the poor simply did not register within the inner councils of the major parties during the 1990s (Burnell 1995). Today, few parties have a discernible programmatic agenda, with the ruling party focused simply on maintaining power and the other parties on simply opposing it. The MDC lacks a coherent ideological programme, being initially based on an opportunistic mixture of unions, business interests and ex-UNIP leaders. However, there are some reform-minded elements within some opposition parties (Meyns 2005). Given the extent to which the embedding of PRSPs in national processes has tended to rely on the presence of an active nation-building process, the apparent absence of such a project in Zambia gives cause for concern.

Donor support is an important source of financing for the GRZ budget. Over the period 2000 to 2005, it contributed an average of 43 percent per year to overall budget expenditure, and an annual average of 82 percent of capital spending over the same period. Although there are increasing moves to base donor support on the PRSP/TNDP, a wider range of imperatives continue to prevail. Donor support is disbursed in three forms: project financing (including balance of payments support and technical assistance), budget support and commodity aid. Despite donor promises for better integration of aid in the budget process, project financing remains the preferred mode of funding (80 percent of all funding, with an upward trend). Several donors, including the World Bank, DFID and SIDA link their country strategies to the PRSP, although others relate to it little (e.g. GTZ) or at all (e.g. USAID). In a move to secure greater harmonization amongst donors around the PRS, a Memorandum of Understanding between GRZ and most donors was signed in 2004, (except EU, IMF and USAID). This has led to the establishment of more than 20 GRZ-donor working groups, each seeking to move from good ideas to effective action (Eberlei, 2005).

Box 2. Politics and poverty in Bolivia

Bolivia is the poorest country in South America, with high levels of regional and ethnic inequalities. Approximately two-thirds of the population live below the poverty line, and child mortality in the poorest regions is amongst the highest in the world. Average income is $900 per capita, average life expectancy is 63 years, infant mortality is 69 per 1,000 live births and only 55 percent of the population have access to safe drinking water (UNDP 2004). Since the mid-1980s, Bolivia has taken on board many of the increasingly neoliberal policies of the IFIs, and moved towards becoming one of the continent’s most aid-dependent countries. However, growth rates have been low over this period.

The Bolivian state has only a limited grasp on large parts of its territory. Despite the restoration of democracy in 1985, the centralised, capital-city biased character of the colonial state continues to
influence politics in Bolivia, particularly in terms of relations with civil society and rural communities. Prior to 1994, there were no local councils in rural areas. However in that year, the Law of Popular Participation (LPP) established 311 councils across the country, including a series of bodies designed to provide for citizen participation and oversight over local government functioning. It is one of the most ambitious examples of decentralisation in the developing world, and marks an effort to blend representative and participatory forms of democracy. The key bodies are the Vigilance Committees and the territorial base units (OTBs, which are based on peasant organisations). This move, although opposed initially by many CSOs, has greatly increased the political participation of indigenous Bolivians, and extended the state’s capacity to deliver services. Nonetheless, problems remain. For example, land ownership remains important for participation in the OTBs, with exclusionary outcomes for women. National bodies such as unions have opposed the LPP on the grounds that it marginalises civil society organisations that are not organised on a territorial basis. Moreover, the key Vigilance Committees appear to have failed to gain autonomy from mayors and councillors. Therefore, the patronage element of local politics in Bolivia has been left intact, and rural people in particular treated as clients rather than active citizens with valid claims on the state.

The political party system contains a mixture of programmatic and personalised parties, with the latter tending to dominate over the former. The electoral system frequently throws up the need for cross-party coalitions, and there are few barriers apparent to coalitions between ostensibly strange bed-partners (Booth with Piron 2004). The result is that ministries are often shared between different parties, making it difficult for governments to forge a coherent political project.

However, since early 2003, and following two decades of relative political and economic stability, Bolivia has experienced a period of social and political instability, including two periods of severe social unrest and violence. This instability has put the national government on the political defensive with regard to a broad range of national policies. Meanwhile since president Carlos Mesa took power in October 2003, after his predecessor, Gonzalo Sanchez de Lozada, protests escalated. These protests forced him to pledge a new constitution to be drawn by 16th October 2005, with the aim of giving more power to the indigenous majority, and a referendum to be carried out on the same day to decide on the contentious issue of giving more autonomy to the resource-rich provinces. The most contentious issue, however, has been the demand for the nationalisation of Bolivian gas, which is in the hands of multinational companies, making trade unions and indigenous groups enraged as they regard gas as to be a be national resource that is being exploited by foreign investors. The argument that taxes on foreign companies are enough, have proven futile.

Gonzalo Chavez of La Paz Catholic University puts it starkly, “The models of the last few years are now in crisis, they have not solved the problem of poverty and social exclusion”, cited by James Painter, BBC Regional Journalist. www.newsvote.bbc.uk, 08/06/2005. Jeffrey Sachs, the Special Advisor to the UN Secretary General on MDGs, also concluded “macroeconomic tools are limited in their power”, having learnt from his extensive work with the Bolivian government (2005, p.106). As this report is being written, President Carlos Mesa is no longer in office and the nation awaits another election. Supreme Court head Eduardo Rodriguez was sworn in as caretaker president in June 2005, succeeding Carlos Mesa.

Towards second-generation PRSPs? The case of Zambia and Bolivia

Box 3: The PRSP process in Zambia

Zambia’s engagement with first generation PRSPs led to not one but three separate papers, one each from three of the key stakeholders in the PRS process: the finance ministry, a social sector ministry, and civil society. The first was the National Poverty Reduction Action Plan, formulated in a consultative manner by the Ministry of Community Development and Social Services between 1997-2000 with the support of UNDP. However, this was largely sidelined, and the Ministry of Finance (later to be re-named the Ministry of Finance and National Planning) took over the process in 2000. An Interim PRSP was rushed through by MoF according to donor timetables that left no time for consultation. There followed a more systematic effort at inclusion for the full PRSP, although this did not stop Civil Society for Poverty Reduction from publishing its own PRSP for Zambia in July 2001.
Up to three-quarters of the recommendations made there were taken up in the final government PRSP, which was officially accepted by the IMF and World Bank in May 2002, despite having not been ratified by parliament (Folscher 2004). The timing of the PRSP consultations coincided directly with presidential elections. Fearful of the agenda becoming a party political issue, the MoFNP decided to deliberately exclude the political parties (many of which were newly formed in any case) from most of the discussions (Bwalya et al 2004). As a result, there is little sense of ownership across the political class. The lack of a media campaign around the PRSP further contributed to its lack of wider impact.

Although the poverty diagnostics that underpin the PRSP mark a significant advance on the earlier analytical basis for development plans, they have arguably been less embedded within an institutional framework and planning consultative process. Having extended Zambia’s first generation PRSP (2002-2004) to 2005, GRZ has already decided that there will not be a 2nd generation PRSP as such, but a return to the national development planning process which was abandoned under donor pressure in 1994. A Planning Department was created in 2002 within the Ministry of Finance and National Planning (MoFNP), and, a Transitional National Development Plan has sought to encompass the main areas of policy that were not identified by the PRSP. The TNDP enjoys the political support of the President and followed similar consultative procedures to the PRSP. The mid-term NDP, to be established by late 2006, will incorporate poverty reducing strategies as part of a broader approach. Significantly, elections are set for later this year, around the same time that the National Development Planning process will lay out proposals for the next PRS. The PRSP in Zambia has been critiqued on a number of counts, including:

- Limited policy range: for example, the PRSP does not include the judiciary or law and order sector more broadly, population, regional development, local government, housing and urban development.
- Its lack of embeddedness within the national institutional context and its being insufficiently coordinated with a range of sector plans. As a result of the above two problems, it has been seen as another sector plan rather than a more joined-up and comprehensive policy initiative.
- Neither donors nor the government appear to be committed to funding and/or seeing through the PRSP recommendations. Donors have failed to meet spending pledges, and remain poorly co-ordinated around PRSP measures.
- For some, the PRSP process has tended to re-enforce neo-patrimonial forms of politics in Zambia (see Mutesa 2005, Eberlei 2005).

**Box 4: The PRSP process in Bolivia**

Bolivia was a favoured child on the Bretton Woods Institutions and hence at the prime edge as a good case of donors and government cooperation and hence, alongside Uganda, was one of the first countries to complete a PRSP and to have it approved speedily by 2001, despite the thin consultation process with the Bolivian society at large.

Bolivia is currently in the process of revising its Estrategia Boliviana de Reducción de la Pobreza (EBRP) into a second iteration, the outcome of which is unclear owing to the current political unrests. There were three consultative processes around the EBRP: two National Dialogues in 1997 and 2000 and then the national Forum, undertaken as part of the Jubilee 2000 campaign in 2000. The first Dialogue undertaken in 1997 was very limited. The second National Dialogue, from May-August 2002, involved the participation of 2,423 people, mostly at the municipal level. It was structured around three agendas – social, economic and political and the social agenda was organised through Bolivia’s decentralised structures (Mollemaers and Renard 2003). The social agenda appeared to produce some very important results. In particular, it secured the right of civil society organisations to participate in the monitoring and evaluation of HIPC-related resources, through the Mechanism of Social Control. It also institutionalised the National Dialogue as a process to be carried out every three years. This process was initially seen as shifting the more antagonistic elements within Bolivian civil society from a position of ‘protest’ to ‘proposal’. However, recent events suggest that the level of
contestation between state and some social movements is beyond the policy level, and relates to more fundamental political issues concerning the nature of citizenship, state formation and political economy in Bolivia.

In particular, and with regards the planned revisions of EBRP in 2003, consultation through extensive national dialogues did not take place following the change of government in 2003. Issues regarding fiscal stability, regional autonomy and income generated from natural resources came to dominate the policy agenda, and the timetable for revisions slipped to 2004. Despite establishing a more thorough National Dialogue in 2004, the government of Carlos Mesa appeared to take little account of its findings in revising the EBRP. In particular, the ‘Productive Dialogue’ carried out by small-scale producers in agriculture and the informal sector was ignored. As in many countries, basic assumptions concerning the levels and quality of growth and other macroeconomic issues have not been opened up for debate. Despite this fact, close observers claim that the PRSP process can make further positive contributions to political development in Bolivia (Booth with Piron 2004).

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11 Gordon Brown, the UK Chancellor of the Exchequer and Hilary Benn, the UK Secretary of State for International Development, have highlighted the danger of inaction on the MDGs in 2005 in many speeches during 2005.

12 This is a fundamental first step. Actual benefits to poor people are dependent on other factors, e.g. the benefiting country having not been in insolventy before the debt cancellation deal. Otherwise, even though debt has been cancelled they have no real money to invest in schools or hospitals (Tembo, 2005b).

13 Unlike goals 1 to 7, goal 8 was agreed without time-bound targets.

14 Though this is not meant to imply that the latter is a precondition for countries making prior commitments to the former.

15 To the UK public, for instance, the benefits of developing countries owning poverty reduction processes and “unconditional aid” are not really what they want from the new aid agenda. They are looking for assurance that more aid will affect the lives of real and genuine poor people (OECD, 2005a).

16 WorldVision’s mission is primarily to enable the children of the world achieve their life potential. In this report however, the analysis also applies to poor people in general; and also to vulnerable groups including people living with disabilities, the aged, indigenous poor groups.

17 This reality comes out strongly in children’s stories recorded in the Grow up Free from Poverty report on “Achieving Our 2015 Dreams” (OECD, 2005d). The ownership indicator within the Paris Declaration is meant to measure PRS priorities that are linked to medium-term expenditure framework and annual budgets. The 2005 DAC Survey on Harmonisation and Alignment in 14 countries measured the partners’ ability to set the harmonisation agenda, leading donor coordination processes and donor’s support for capacity building (OECD 2005c). All these measures focus on what the national government does with donors and not what it does with citizens. The World Bank CDF tool has standards on ownership but none of these are able to capture domestic perspectives on the role of donors in relation to achieving MDGs, or the developing country ability to sanction donor actions (World Bank, 2003).

18 This would not be a problem if developing countries themselves were in the lead of the PRS process, harmonisation and alignment agenda but the OECD survey showed only four countries “fully satisfied that co-ordination processes were in place” (OECD 2005d, p. 11). We have to also bear in mind that this was an assessment of satisfaction with co-ordination processes and not necessarily countries leading the process.

19 This is the financial part of programme aid that is channelled directly to developing country budgets to use their own allocation, procurement and accounting systems. The GBS programme is not only funds but also includes policy dialogue and conditions associated with the disbursement of those funds (University of Birmingham, 2005).

20 A push for MDG-focused poverty reduction strategies, for instance (Sachs, 2005; UN, 2005c).

21 Non Governmental Institutions (WW Station Chibombo, CSPR, Jubilee 2000, CCDJP & SOS), Government Ministries (Finance, Agriculture, Community, & Local Govt), Provincial Administration (Lusaka), District Administration (Chibombo District Commissioner), Local Authorities (Chibombo District Council and Lusaka City Council), Traditional Authorities/Institutions (Senior Chief Liteta in Chibombo & Senior Chief in Mumbwa), Donors (World Bank, IMF, DfID, SIDA & UNDP).

22 200 poor households in Kanyama Constituency (Harry Mwanga & Kanya), Matero Constituency (Lima & Matero), Munali Constituency (Mandere & Munali) & Mambwe Constituency (Ngwere & Raphael Chota).

23 DFID, IDB, UNDP, UNICEF, FAO, Cooperation of the Swedish Embassy, the Dutch Development Cooperation Service (SNV), the International British Service, CARE, the Rural Secretariat, the German Association for Adult Education, the Bolivian System for Productivity and Competitiveness, the Program for Coordination in Integrated Health PROCOISI, the UNIR Foundation, the National Association of Mining Annuitants, the Ministry of Finance, the Vice-ministry of Gender and Generation, the Ombudsman’s Office in Oruro.


The Bolivia and Zambia case studies show that unless PRSs are able to properly engage the poor from their perspectives of poverty, the result is a PRSP or its equivalent that is just a wish list of needs or states of poverty. The government of Bolivia's definition of poverty (in the context of PRSP for debt relief) was made up of social sectors including education, piped water availability, sanitation facilities and electricity. It is interesting however that with deeper participation of the people during the second dialogues, and also reflected in our case study research (see Box below), poverty was defined with greater emphasis on production and employment (see also IMF, 2005a). In the first PRSP, the government support for the productive sector was almost nil (Murillo; 2005). It can be argued, therefore, that although the priorities in the first PRSP came from developing countries themselves, they failed to engage with perspectives of the poor and the location of these perspectives in the macro trends of policies and actions.

Understanding poverty from the perspective of the poor

Box 5: Perspectives of children and their families on poverty in Bolivia

In the Altiplano, poverty is linked to the productive factor and negligible land tenure. Production is for self-consumption and there is a high rate of migration and the majority of communities are considered poor. Children recognize poverty in their communities in the form of widows and orphans.

In the valleys poverty is related to agricultural production which depends on scarce water resources. There is extreme vulnerability in food security which causes malnutrition in children. Since there is no alternative employment for adults and youths migration is also constant.

On the plains, there is extreme poverty and extreme wealth due to land tenure and a high-level of immigration for sugar cane harvesting. The indigenous peoples do not own sufficient land in relation to other sectors (Menonites, foreign and national landowners). Children identify poverty in their communities as unemployment, those who do not have money and immigrants that come from other places looking for work but do not find it.

Whose definition of poverty is being used in PRSs?

In Zambia, the World Vision research conducted on children’s perspectives and dreams for 2015 came up with other dimensions of poverty as well as those from the social sectors, including the fact that children themselves are actors. In Mozambique, the G-20 group of NGOs also came up with a definition of poverty based on people’s perceptions, including the fundamental conclusion from the study, which was that people do not wait for PRSs to address their poverty. They want to take responsibility but they are denied opportunities to improve their livelihoods (Mozambique RAP, 2004). The ‘additionality’ approach to PRS processes comes out clearly in this civil society-based and grassroots thinking. Ultimately, the second generation PRSs might not necessarily mean a complete shift from social sectors to productive priorities, as in the case of Bolivia but a proper understanding of poverty will provide for greater ownership of the development agenda. Both Zambia and Bolivia cases show that their first PRSPs were drawn with the donor in mind. There were no domestic macro-economic models used to tie individual projects and programmes together nor were considerations given to domestic financing. Methodologically, participatory poverty assessments (PPAs) should have been playing a critical role in enabling this understanding of poverty to emerge within the PRS design process.

Conceptually, PPAs were used to inform the World Bank’s Country Assistance, and were also framed as central to the ‘poverty diagnostics’ work used to underpin PRSPs. PPAs assert the right of poor people to define their own experiences of poverty. They aim not only to provide more and better information on poverty and the coping strategies of the poor, but also to foster more inclusive policy processes by ensuring that these voices influence policy-makers and policy-making. Their key role has been to complement the household survey data on income-consumption poverty, offering a qualitative understanding of the felt experience of poverty. By 2002, 81 PPAs had been carried out in 50 countries. Successive reviews began to show that PPAs had revealed a potential to influence understandings of poverty within policy-making circles and, to some extent, change policy (e.g. Holland and Blackburn 1998, Robb 2002). A recent IMF review (2004) notes that participatory processes had improved the diagnosis of poverty, particularly its non-income aspects and links to vulnerability. In terms of policy, the government of Zambia altered the timing of school fees to avoid the lean time in the agricultural season; new policies were introduced in Ecuador in order to support the previously unrecognised off-farm economy; and in Ghana, the World Bank restructured its office to cater for the broader range of grassroots concerns.
Although PPAs have not proved to be suitable means of empowering local communities through capacity-building and support for self-reliance, some mainstream policy actors have claimed to have been transformed by their involvement in the process. For example,

“We experts sometimes do believe that people don’t know their problems... (or) ...the solutions to their problems. That has been proved wrong by the PPA. So they know their problems and they know their solutions. More interestingly, they are capable of analysing the policies that we prepare for them. They could even propose alternative policies; that is very exciting to me. We experts, we must sit down and listen to the people. They know what they are doing, they know what they want. The PPA has surely proved us wrong. We must change our tactics now” (Director, Social Services Division, Planning Commission, Government of Tanzania featured in The Poverty Experts video, World Bank, 1996)

Here, the approach to PPAs in Zambia has been seen as particularly progressive:

"Some of the best World Bank country assessments (e.g. Zambia, Tanzania) did go somewhat further; however, with econometric work, sometimes combined with analysis of PPA material, to explore the causality of poverty in a deeper way. In several countries, there are fairly long-established arrangements for conducting regular participatory ‘beneficiary assessments’ in connection with Social Funds and other large projects. In Zambia, the group originally set up for this purpose was subsequently involved in the World Bank PPA, and has since contributed to a range of commissioned sectoral policy studies of the sort just mentioned” (Booth and Lucas 2002: 24 and 37)

Participatory poverty analyses can highlight the specific needs of children and young people. This is important as not only do they often remain a vulnerable group, but also that their perspectives on poverty can add a critical dimension, which more generic household surveys miss. Although the voices of young peoples have tended to be marginalised in these assessments, recent work by Save the Children (O’Malley 2004) showed how consultations in Vietnam brought up the hitherto neglected issues of child labour and the often hidden psychological effects of long-term poverty. However, these were quite localised pilots. Such initiatives need to be more centrally incorporated into future analysis through such vehicles as the Poverty Social Impact Analysis (PSIA) (see below), although current guidance does not explicitly deal with this issue (World Bank 2003a).

However, critics and practitioners had also begun to identify a growing range of problems with PPAs and their constitutive tools such as participatory rural appraisal (PRA). Employed through community meetings, PRA methods may appear to generate a consensus, but this in fact emerges through the silence/silencing of those groups such as some women, children and migrants, who were either absent or too marginal to gain a voice in such settings (Mosse 1994). PRAs, when used wrongly, also tend to be used as special events rather than a means of capturing a true picture of ongoing livelihoods, their dynamics and meanings, including power differences (Tembo 2003a, 2003b). Once collected, real problems emerge in terms of how to aggregate and analyse the data, and also in the extent to which it could be said to be representative of the people. Final drafts of poverty assessments have often failed to synthesise the PPA data with household survey data, and it is not always apparent that the PPA data has had any influence on emerging policy recommendations. For example, whether or not the gendered understandings of poverty that frequently emerge from PPAs continues to be influential as the data moves up the policy-chain seems to be dependent on the role of gender champions (often feminists) at each stage (Whitehead and Lockwood 2000).

In order to be successful, PPAs seem to require:

- Methodological rigour: PPA research needs to be as rigorous and comprehensive as possible in order to be persuasive;
- More systematic integration with other forms of policy-relevant knowledge, particularly quantitative approaches (e.g. the mapping of PPA research onto the same sampling sites used for national household surveys);
• Systematic integration into the policy process, in terms of (a) their sequencing (e.g., regarding the timing of budgetary decision-making); (b) their being championed at each stage of the policy process and (c) the institutional location of their operational base (e.g., in ministries of planning or finance);

• A favourable institutional context: it appears that higher levels of decentralisation and lower levels of top-down policy-making are associated with the greater uptake of PPA findings, as are systems that allow for greater interaction between policymakers and the public in general (Brock and McGee 2002).

However, even if these rules of ‘best practice’ were followed, there remains a strong sense in which PPAs have not been able to reveal the more fundamental causes of poverty (Green and Hulme 2005, Bevan 2004). They have been unable to reveal the meso- and macro-level processes that work to maintain poverty in particular places and in particular ways. Uncovering the causal mechanisms and processes that lead to poverty requires multi-levelled and historicised investigations, and the use of social theory to construct explanations of how societies work. For example, the social exclusion approach promises to do this in a way that income, capability or participatory approaches to defining poverty have notably failed to do. According to one review, while other approaches fail to “capture (the) fundamental causes or dynamics of poverty …the definition of social exclusion typically includes the process of becoming poor, as well as the outcomes of deprivation” (Ruggeri Laderchi et al 2003: 20 and 21).

In Zambia, then, poverty in the Copperbelt region needs to be understood in relation to the restructuring of industrialisation and long-term processes of structural adjustment. In Bolivia, the racial basis of impoverishment amongst native groups requires historicised explanations. These explanations can then be analysed for connections with the populist pressure that these Bolivian societies put on government to follow a more nationalised rather than privatised economy.

The way in which poverty is defined within PRS work is critical, given the extent to which this poverty diagnostic work is supposed to be hardwired into the monitoring, evaluation and revision of poverty reduction policies. Unless the focus shifts to understanding the causes of poverty, PRSP policies will remain limited to tracking and attacking its correlations and characteristics rather than its underlying causes. Again, the social exclusion perspective is useful here. By making a social perspective central, rather than dealing with individualistic approaches, “this relational emphasis opens up a different policy agenda from the individualistic approaches — e.g., policies addressed to groups, such as eliminating discrimination and various forms of affirmative action … SE is the only approach where these considerations play a constitutive role”, including distributional issues (Ruggeri Laderchi et al 2003: 21). Civil society organisations have played a role in enabling analyses of poverty. The work by World Vision, Oxfam and other NGOs concerning children’s birth certificates, which confirm the child’s identity, in Bolivia has become critical for increasing their access and entitlements to assets. The work in relation to inheritance laws affecting orphans and vulnerable children in Zambia emerged from poverty analysis in communities and has been brought to the attention of government. There are also initiatives that aim to understand social exclusion in relation to people living with disabilities. However, these initiatives have not been properly included in PRSs of the respective countries.

Recommendations on poverty diagnostics

• Poverty diagnostics within PRSs needs to engage with analyses of the causes of poverty, including perceptions poor people themselves form of these causes, and to relate monitoring and evaluation and policy recommendations to these causal processes.

• In terms of targeted research, the approach needs to be in-depth, qualitative, and theoretically informed. It needs to move beyond the local and show how the lived experience of poverty ties into the broader economic, social and economic processes that keep people poor and shape the opportunities for development.

30 Research on chronic poverty shows clearly that poverty dynamics including people’s vulnerabilities to international structural factors and policies matter in identifying drivers of change but they are not captured in PRSs (CPRC, 2004–05).

31 Little effort is made to empower communities directly, leading some to critique the process as extractive. Personal communication from a researcher on UPPAP II to one of the authors, January 2003.

32 See also ILO, 2003 on disability and PRSs.
Poor people’s perspectives of their role in PRS processes

PRSPs promise to include the perspectives of the poor, not merely in the initial data-gathering stage, but at each stage of the policy-making process. This participatory approach has been cited as a major advance on previous approaches to development policy-making (e.g. Booth 2003, Driscoll with Evans 2005). The typical mechanisms employed include consultative workshops or seminars at both national and provincial levels, consultations on specific documents, participation on policy and budgetary working groups, involvement in monitoring and evaluation, and direct (invited or not) advocacy. The extent to which participatory and consultative processes within PRSPs have resulted in policy, or even political, change that has placed the voices and interests of the poor closer to the centres of decision-making power remains subject to dispute. Viewpoints vary between very broad-brush statements about ‘deepening democracy’, to critiques of routinised consultations with handpicked CSOs. In practice, processes of consultation and their perceived effectiveness and legitimacy have differed from country to country, as illustrated by our two cases.

If poor people are to influence PRSs their perspectives of their place in policy-making is important. In Zambia, for example, people’s perspectives show that they rate the poor as least worthy of being involved in policy making, and the World Bank/IMF as the most worthy. The policy making process is hence highly centralised, as illustrated by Figure 2.1 While 56% of the respondents did not know the role played by political parties in policy making or considered it to be clear, both now and in the past, only 22% felt that they had influence over policy making. Moreover, 45% of the respondents felt that the executive arm of government had an upper hand in the policy making process. If the ‘moderately clear’ cases are included, this proportion increases to 57%. These results are supported by perceptions on the extent to which the decentralisation policy was working. The combined total of “I don’t know” and “to a limited extent” cases were the highest at 86%, while those who thought it was working well stood at only 5% (Figure 2). These responses clearly show that communities did not benefit from the PRSP awareness seminars. Further more, their knowledge of what was going on in the country was quite limited. While the decentralisation policy was recently approved, it has not yet been implemented, especially with regard to its links with the PRS process.

As Fig 2 shows, rather than the poor directly participating themselves, at best other actors represented them. Within this framework, non-state actors dominate at 32%, their role being considered relatively more influential that that of parliament at 29%. The influence of local government and women tally at 22% while that of the traditional authorities are considered to be relatively less influential at 19%. 82% of children indicated that their direct role in influencing PRSs was not clear. Interestingly, when children in Zambia were asked to map out institutions in relation to their importance in the context of the children’s voices and dreams for 2015 (Twiza, 2004), they produced the diagram below (Figure 3). The vein diagram puts political parties, NGOs, Ministry of Education and Health at the same level of ‘very important’. Political parties, indicated as MPs in the diagram, were put outside the circle along with several other institutions. In essence, although there are several institutions that are meant to represent the poor, just a few of them actually engage with the poor.

The Venn diagram represents the community’s perception of given institutions working in their area. The size of the circle represents the importance of the institution to the community. The distance of the circle from the community circle signifies the relation that institution has with the community.
The consultation process

After a faltering start in Zambia, a civil society initiative (Civil Society for Poverty Reduction) devised an effective strategy for gaining a central role in PRSP consultations and providing feedback on the first draft of the poverty reduction strategy. Moreover, the main findings in the resulting alternative PRSP found their way into the official document. In Bolivia, civil society participation was visible in the form of the Jubilee Initiative, the National Dialogue, and the Productive Bolivian Dialogue. Each of these brought in new social actors (such as the handicapped, older adults, municipalities, and small producers). However, many social actors in Bolivia feel used and disappointed by the process, and question the extent to which their proposals influenced the EBRP document.

In both Zambia and Bolivia, the consultation process took place at two levels – the national and the regional/provincial – each with differing implications (see boxes 2 and 3). In contrast to Zambia, the sub-national processes in Bolivia appeared to work quite well, generating some useful partnerships between state and civic actors around public policy-making. This can be explained to a large extent in terms of the higher levels of both decentralisation and civil society presence and capacity in Bolivia compared to Zambia. However, the Bolivia case also indicates the extent to which consultative processes differ greatly between different sub-national regions, according to the type of organisations and local political history and economy. This happens despite the ‘Popular Participation’ and the ‘Social Control Law’.

The main issues arising from the cases can be discussed in terms of issues of exclusion, the capacity and legitimacy of those agencies that were included; problems with information flows (in both directions); and finally, state-society relations. The case of Bolivia reveals a tendency for governments to seek a level of consensus from civil society actors within consultation procedures, mostly in line with the ‘Popular Participation’ and the ‘Social Control Law’. At the outset, communities were supposed to arrive at a consensual plan, despite the problems of securing adequate voice for groups such as women and children within such spaces. The EBRP encouraged NGO social networks and other sectors to act as collective entities (rural secretariats, women’s groups, liaison committees, etc.) while achieving differentiation from the government and donors’ positions. This may have reduced the extent to which special interest groups were able to have their voice heard, and reveals a failure to understand the high level of differentiation and potential conflict within civil society. For example, the level of women’s participation in planning and decision-making at municipal levels was insignificant. After Dialogue 2000 finished, women’s organisations and some agencies criticised the cross-sectional gender approach, which they felt showed their perceived invisibility.

For young people and children their input is often minimal and usually routed through existing CSOs and therefore mediated by adults. While such mediation may well be inevitable, it runs the risk of misrepresenting young people and falsely raising their expectations as they place their trust in adults. As a recent Save the Children Fund (SCF) report notes, children and young people felt used by one particular organisation during a UK study. This was because no action was taken on the basis of the

### Box 6: Consultation in Bolivia: a differentiated experience

In Bolivia, the experience of consultation has varied widely in different municipalities. In some municipalities, there is more co-ordination with and more openness toward NGOs working in the municipalities, in order to strengthen public policies. There is a perception that in the municipalities of the East, planning is participatory. In Pailon municipality, indigenous communities were ignored; de-motivation set in once projects set during the planning workshops were unfulfilled as the Annual Operative Plan was re-written. In the valleys, the leaders and the overseeing committees participate in the whole planning process, aided by the strong presence of unions and peasant organisations in those areas. In Yapacani the colonizers’ federation and the mayor prioritised investments for production, and were able to insert these needs into the Annual Operative Plan (POA). Although participation is mostly reserved for men, with little women’s participation, there are exceptions; in the valleys, half of all local leaders are women. So, the PRS is likely to take on a different flavour depending on the shape of local political agency. A further barrier concerns a latent and unsolved conflict between the interests of the urban inhabitants and those living in rural areas. Rural Bolivia has only had elected councils since 1994, and with urbanites used to making decisions, there remain tensions along this dimension of who is considered to be a full citizen.
consultation and it was felt that the organisation was simply co-opting children in order to appear legitimate and representative (O’Malley 2004). SCF piloted a participatory consultation in Ho Chi Minh City and the input of young people was used to change local government allocation of services. This demonstrated rights in action, something that international NGOs can facilitate if done sensitively, over an extended period of time, and with regular feedback to participants in an accessible medium.

In Zambia, consultations turned out to be skewed, comprising of ad hoc public sector representatives, donors and a selection of organised civil actors who were all constituted into sector working groups with little or no female representation. At the national level the Ministry of Community Development and Social Services and Ministry of Sport, Youth and Child Development were sidelined. This was also the case at the provincial and district level: the City and District Councils, and the traditional Authorities and at the international level the United Nations Development Programme and United Nations Children’s Fund. The inclusion of CSOs in PRSP consultations is often done on an ad hoc basis, with no clear or transparent guidelines concerning those chosen as legitimate representatives of the poor. This has led to suspicions that CSOs are being handpicked due to their uncritical stance on government (and donor) policy, and on the basis of prior contact. In Zambia, NGOs based outside of the capital Lusaka were not included. Despite being one of the strongest pro-democracy forces in recent decades, the Zambian unions were excluded from consultations around the first PRSP. Unions in Tanzania and Uganda were told that they could participate only after Joint Staff Assessment approval was achieved. In addition, the media and certain research institutions are amongst the most clearly excluded groups as were producer associations. However, even inclusion does not necessarily secure a strong state-society partnership. In some cases civil society organisations have registered their disapproval with the process by breaking-away, sometimes even producing their own PRSP (e.g., Nicaragua).

Both cases reveal the wider tendency whereby parliaments are not systematically involved in the PRS process. In some cases, such as Guinea, Tanzania and Vietnam, parliament was only handed the PRSP in final draft form to review. It is not only in Zambia that donors have accepted PRSPs without them having been passed by parliament. This bias towards participatory rather than representative forms of democratic politics is contentious. Other commentators hence argue strongly for the need to push the pendulum back towards strengthening those forms of democratic representation that have long-term accountability relationships to citizens. More broadly, and to the extent that PRSP consultations are inherently discretionary (e.g. the choice of CSOs, the selection of messages), they suffer from an inherent democratic deficit. Those

Box 7: PRSP Consultations in Zambia

Consultations around the PRSP process in Zambia have been somewhat haphazard. Initial consultations undertaken by the Ministry of Community Development and Social Services were sidelined in favour of an approach led by the Ministry of Finance and National Planning (MoFNP), who sought to consult with a newly formed civil society umbrella network, named CSPR. The MoFNP held a series of awareness seminars among senior government officials, Parliamentarians, and general stakeholders in order to garner support for the PRSP. At the national level, a PRSP Coordinator located in the MoFNP then established eight working groups which covered what were considered to be priority sectors, namely: agriculture, mining, industry, tourism, education, health, macroeconomics, and cross cutting issues comprising HIV/AIDS, Gender and Governance. However, framing gender as a cross-cutting issue arguably led to its marginalisation.

Each working group comprised members from donor agencies, government and non-state actors (business, academia, churches, and professional associations). The groups were identified and determined out of the interests of the participants at an awareness seminar for general stakeholders. That seminar more or less determined who would participate in the PRSP formulation, even though its representativeness and their mandate to talk on behalf of the poor could be questioned. Provincial workshops were also organised by MoFNP in each province, comprising 10 delegates from each district in the province. This included administrative district heads, a few sector experts in agriculture, health and education, a representative of the traditional authorities, and non-state actors such as churches. The provincial stakeholders produced a list of priorities to be included in the PRSP, although these were dominated by heads of government departments at district level.
Box 8: MTEF consultation in Zambia

Official access points for non state actors in the budget process are improving with the introduction of MTEF. Parliament’s oversight over the budget is also improving with the introduction of both the MTEF and Parliamentary Reforms Programme, although there are still some shortcomings regarding its own capacity and the timeframe allotted for engagement with the budget. In principle, Government provides for civil society participation in monitoring of HIPC resources, but in practice government officials dominate the committees responsible for those tasks.

Consultation in the MTEF process occurred at two levels. The first is the coordination and consultation process within government itself, in the preparation of the draft and final MTEF/Budget Green Paper. The second level of consultations is between government and other stakeholders such as the Estimates Committee of Parliament, civil society, donors and individuals who are invited to make comments on the draft MTEF/Budget Green Paper, thus, according an opportunity to the other stakeholders to provide an input in the budget formulation process. Non-state actors’ participation can be envisaged at three levels:

- At the national level by commenting on the Green Paper.
- At sectoral level through consultations between MPSAs and NGOs operating in particular sectors.
- Participation in the monitoring and evaluation of PRSP programmes.

This process is pitched at a very high technical level whereby non-state actors would require special skills to meaningfully engage with the government. There is a lack of hard budget and contextual information available to CSOs – particularly in terms of poverty reduction performance indicators and breakdown of the emoluments category. This further constrains their level and quality of engagement with budgetary processes. The exercise has been turned into a forum where interest groups ask for all kinds of tax privileges from the government.

who are included are placed under the patronage of the government, creating tension, if not contradiction, with existing democratic processes. At the same time, however, although parliamentarians have legitimacy, their place within the cycle of people’s own perspectives of their poverty and institutions that work for them is also important (see Fig. 3 above). They are not always close to the people, especially vulnerable groups, including children sometimes because of differences in political dispensations within the new multiparty democracies. In these situations, varied institutional paths to ensuring poor people’s voices in a PRS process, including opportunities for self representation, should be maintained. The goal, however, should remain towards building stronger future relationships and accountability of democratic institutions.

Ensuring representation

The direct participation of poor groups within PRSP processes is closely shaped by poverty levels, whereby material problems prevent strong organisations from emerging at the local level. This leaves the poor reliant on civil society groups to represent them. This happens despite a sense in which not all CSOs are actually well-positioned or equipped to represent the poor within policy discussions, either because of the nature of their relationship to people as clients or beneficiaries (rather than citizens), or their lack of expertise within policy arenas. In Bolivia, the representatives generally had to present their proposals in Spanish instead of using their native language, creating a further barrier. Such capacity problems are particularly apparent where civil society groups are invited to engage with budgetary processes – as in Zambia – few have the capacity to fully engage with the technical level of debates, causing their participation to become somewhat tokenistic. Some training programmes to improve the capacity of community and civil society groups to participate in policy processes have been introduced, as in Bolivia’s high plateau municipalities, although few women attended these. It is necessary to train and draft proposals for/with the poor; so that they can also better control and be able to define mechanisms to strengthen their organisations.

Genuine forms of participation and representation require reliable and well-managed flows of information between stakeholders. However, the capacity of civil society actors to represent poor
groups has often been undermined by the failure of governments to provide them with the type and level of information required to engage fully with the policy process (World Vision, 2004; Mutesa, 2004). In terms of data flows from consultative processes, the findings from consultative seminars within PRSP processes are often treated with less rigour than quantitative data. In Cameroon, this data was provided as long lists in a separate section of the overall poverty assessment, with no efforts to process the data, synthesise or prioritise it (Brown 2004). Finally, civil society representatives lacked the resources to provide adequate feedback to communities.

The shape of the state and state-society relations

The broader political context in each country appears to have been critical in shaping the legitimacy and effectiveness of the consultative processes. PRSP reviews need to examine the gains that have been made relative to previous forms of policy-making rather than in more idealistic terms. Therefore, the opening up of policy-making processes to include a wider range of stakeholders may constitute a significant advance in many contexts, even if this still leaves many voices unheard. In many cases, consultations around PRS processes mark a significant advance on previous approaches to policy processes. In Zambia, the frequency of interactions between civil society organisations (especially those associated with the CSPR) and the state have intensified (Eberlei, 2005). In terms of interactions between municipalities and communities in Bolivia, there appears to be stronger processes of participation at local rather than national levels. Often, the quality and extent of these new ‘partnerships’ remains limited. Talks take place on an ad hoc basis, often at short notice, and with limited information flows in advance. In Bolivia, civil society participants complain that the political and technical groups maintain a colonial mentality that marginalises their efforts to represent poor groups. This makes it difficult to establish relations of citizenship in the processes of negotiation of the EBRP. In some cases, such participatory processes become institutionalised within policy processes, as in Tanzania, Mozambique, Albania and Mauritania. In other cases, existing participatory processes were simply by-passed and replaced with parallel structures.

In terms of linking participatory processes to direct policy change, there appear to have been a series of one-off policy changes and some evidence that certain sensitive issues have been promoted onto the PRSP agenda (e.g. governance in Guinea, Mozambique and Nicaragua). In some cases, this capacity has been secured and institutionalised within policy processes. A recent IMF review (2003) notes that only 20% of its 23-country sample reported any impact of participatory processes on policies, with none on macroeconomic policies. However, in Zambia, Folscher (2004) reports that three quarters of civil society concerns raised after the first draft of the PRSP were incorporated into the final draft. A recurring theme within reviews of PRSPs is that the IMF have effectively determined macroeconomic policy prior to consultations being opened up. Despite consultations in Bolivia, some of the resulting programs or projects have not reflected local concerns. For example of this is that some projects aimed to introduce new seeds in areas where the main problem was the inadequate water availability and the non-existence of irrigation systems.

Embedding PRSs in national political processes

The move in Zambia to link the next PRS into the older national development planning approach promises to mix new participatory approaches with a more nationalised and (previously) better institutionalised form of policy process. The higher levels of decentralisation in Bolivia appeared to result in more meaningful processes of consultation between municipalities and community representatives; whereas the limited capacity and powers of local governments in Zambia, coupled with the lack of political agency available to the poor at local levels, reduced the effectiveness and legitimacy of consultation at this level.

However, there are also potential problems with PRS processes becoming too closely embedded within decentralisation reforms. For example, some citizens in Bolivia viewed the LPP and EBRP as essentially the same. Importantly, in most municipalities, the interpretation of the Popular Participation Law does not allow the use of funds for human resources in health and education. This leaves an inevitable gap between expectations and outcomes. In Zambia, although it is too early to judge given the incipient nature of decentralisation there, the District Commissioners remain as presidential appointments. This suggests that sub-national structures may be run according to the logic of patronage rather than downward and democratic accountability.

A recurring theme has been the sidelining of representative democratic institutions, particularly parliamentarians. In Zambia, as parliamentarians are brought more fully into the process, there is a need
to work concurrently to increase their accountability to their constituencies (e.g. few have constituency offices, although construction of these is underway). The close correlation between the forthcoming 2006 elections and the renewed NDP process could be seen as presenting an important opportunity. Recent research has emphasised the extent to which social spending, particularly on forms of social protection that benefit the most vulnerable groups, often increases around presidential elections (e.g. Hickey, 2005). Meanwhile accounting for the role of civil society in representation is significant. Zambians questioned for this research feel that the predominant political discourse tends to blame the poor for their poverty, with a large majority perceiving a tendency to cast the poor as undeserving of help. This may have influenced the extent to which GRZ has not felt under pressure to offer social assistance schemes to the most needy. In Bolivia, public debates on poverty are strongly associated with contentious debates concerning indigenous rights. Extending poverty diagnostics to look at the causes as well as the characteristics of poverty (as suggested above) could help policy-makers and the public more broadly realise the extent to which broader processes shape people’s life-chances. This could thereby encourage public action towards rendering such processes more pro-poor.

### Recommendations for moving from consultation to influence

- Create legally supported spaces for civil society participation and capacity-building initiatives to develop stronger linkages between the PRS process as undertaken at the national level and institutions of the poor.
- Maintain the differentiated analysis of perspectives and political positions of the poor and vulnerable groups throughout the process.
- Seek more varied forms of input from more varied actors: a greater role for the media and civil society in particular would help raise public awareness and increase the possibility of public accountability.
- Consultation processes to take account of language differences, and ensure that these do not constitute a barrier to genuine participation.
- Better integration of PRS processes with democratic processes, such as careful timing with regards to the electoral process; strengthen the role and capacity of parliamentary committees; parliamentary budgetary offices; better information flow between legislative and executive bodies; secure greater parliamentary oversight and powers of execution.
- Strengthen the role and capacity building of social sector ministries and departments, particularly those with responsibility for the most vulnerable groups.
- Maintain a patient and iterative approach: more responsive forms of governance take several years to develop, rather than a single PRS cycle. As Grindle (2002) notes, ‘good enough governance’ may have to do for now.

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31 all the categories listed were asked what role they played in policy making.
32 ‘The present Law recognizes, promotes and consolidates the process of Popular Participation, articulating Indigenous Communities, Indigenous Peoples, Peasant Communities and Local Neighbourhood Boards, respectively, in the judicial, political and economic life of the country. It tries to improve the quality of life for Bolivian men and women, with a more just distribution and better administration of public resources. It strengthens the necessary political and economical instruments to perfect representative democracy, incorporating citizen participation in a process of participatory democracy and guaranteeing equal opportunities at representation levels to men and women’ (Law 1551, 2001: Article 1).
33 ‘For the application of this Law, Social Control is understood as the right of organizations and institutions in civil society to know, supervise and evaluate the results and impact of public policies and the participative processes of decision making, as well as access to information and analysis of the instruments of social control’ (Law 22035, 2001: Article 25)
34 Women’s groups have been under-represented in many countries, with Kenya and Lesotho outperforming the limited efforts of Tanzania, Malawi and Bolivia in this regard (Zuckerman and Garrett 2003). Women’s issues, even if raised in consultation, often evaporate by the time they reach the higher stages of policy processes (Whitehead and Lockwood 1999). Mali, Rwanda and Zambia have been credited as producing the most gender-aware sets of proposals, with the former two even adopting a rights-based approach to gender issues.
35 Watch-out for criticality of these spaces in actual decision-making, in terms of what finally counts rather than just quantity of spaces. Ultimately, legal mechanisms work best when attributes are also right because it is then that people take responsibility and enable institutions to work positively.
For the purpose of achieving poverty reduction objectives, in the context of aid and domestic public funds, downward accountability to the citizens is important. For the purposes of this study the concept of accountability was considered as an acquired responsibility amongst stakeholders of the PRS that gives responsibility and obliges them to account for commitments acquired. But this assumes that ‘to account’ must be an ongoing and constant practice throughout the PRS process. Furthermore ‘to account’ in the case of the PRS requires consideration of the cultural characteristics of the recipients of the people participating. In Zambia, the understanding of accountability was much more straightforward except for perceptions of how far we could expect the ordinary citizens to hold government to account on the budget side of the PRS.

In public terms, PRS accountability is a combination of accountability internally to other parts of the state (vertical accountability) and to actors and organisations outside the state (horizontal accountability). In practical terms these different forms of accountability are the result of formal and informal mechanisms (Thyne and Goldring 1987). In analysing accountability within PRSPs we use Smith’s (1991: 97) framework, which is heavily based on Thyne and Goldring (see Figure 1). The general movement within development practice is to see the informal and horizontal accountability mechanisms becoming more integrated into the formal and vertical ones, as citizens gain the confidence and institutional means to call to account (Goetz 2003). However, this highlights the key paradox in that most debates have seen accountability as a national process connecting citizens and the state, whereas with PRSPs the most important form of accountability outside the state is to international donors.

Much of this involves the move towards social accountability, which relies on civic engagement with citizens and/or CSOs participating directly in exacting accountability. This is very much in keeping with right-based approaches that are outcome-driven. It is in this social accountability agenda that the need to integrate the formal/vertical and informal/horizontal forms of accountability is paramount. The social accountability agenda seeks to bring the informal and horizontal into the vertical and formal. With respect to PRSPs this means (McGee R, 2001a):

- Ensuring that the process of drawing up the PRSP explicitly reflects the needs and priorities of the poor
- Establishing realistic mechanisms so that people can hold government and service providers accountable for the delivery of policies and goods, and for the spending of public funds

Accountability is often treated as a technocratic control mechanism for IFI donors. To these we can add a fourth:

- Ensuring that the donor community is also accountable to national governments and domestic CSOs that represent the poor

**Formal accountability mechanisms**

The main finding from different studies is that accountability is predominantly a technocratic control mechanism, which makes governments answerable to donors rather than to their own elected officials or citizens (Stewart and Wang 2003, ODI 2004). While the PRSPs promised a move from policy conditionality to process conditionality the IFIs have been unable or unwilling to release control. Yet given the rhetoric of national ownership this paradox can only be reconciled by maintaining control through various reporting mechanisms that are to some extent below the political radar. This has been termed the ‘post-conditionality’ aid regime (Harrison 2004). What is being put in place is a technocratic parallel government, much like the SAPs of the 1980s and 1990s. For the donors there is still a ‘project’ mentality to participation rather than a country-level one, which means that participation exists in terms of ‘invited’ consultations to discuss the fine print of policies rather than broad-based political reform (Piron and Evans, 2004). Additionally, some other important policy instruments (e.g. IMF’s Poverty Reduction Growth Facility) don’t aspire to the same level of country ownership, resulting in policy dissonance (Trocain, 2004).

As we have seen at the national level most parliaments, including those of Bolivia and Zambia, have been sidelined in deliberations about PRSPs, but this also applied to their oversight functions (Folscher 2004). For example, in Uganda the Executive and Finance Ministry override parliament whereas in Vietnam the one-party state executive dominates the bureaucracy (Piron and Evans 2004). Most policy formulation takes place through the executive and selected parts of key ministries whereas monitoring is done by technocratic secretariats, usually at the behest of the donors. This produces a governance contradiction in that democratisation urges elected parliaments to rationally debate policy, yet they are sidelined in what is possibly the most important policy programme at the national level. Furthermore, within the state the all important informal accountability mechanisms are
Parliamenterians are sidelined as decisions are made by executive and selected line ministries of government. Weak or lacking, by this we mean the Weberian values of impartiality and service delivery. In some cases there is patrimonial accountability that is not impartial except to factions or cliques. In other cases such organisational and professional values, of the type that Brett (2003) mentions are lacking altogether, which may be due to poor training or economic pressures within the civil service, which encourages various forms of graft.

In the Zambia case there is a sense that the PRSP process brought about significant changes in public accountability. Firstly, it opened the policy process, albeit selectively, to non-state actors. Secondly, it catalysed sections of civil society to organise itself. Therefore, while the PRSP process was not entirely successful this empowerment of civil society needs to be rated positively. Thirdly, the PRSP process has facilitated the establishment of significant new capacity for public expenditure management (Folscher 2004). Despite weak M&E capacity a notable benefit came through a participatory rural monitoring exercise, carried out under the auspices of the CSPR and in cooperation with the Zambia Social Investment Fund (Zamsif). The study, which included baseline fieldwork in October 2002 and follow-up fieldwork in May 2003, was conducted in 15 research sites in the poorest 5 provinces. Across the board, positive findings were only made in the agriculture, education and health sectors.

Another potential formal accountability structure is decentralised government (Crook and Manor 1998). The logic is that not only is planning more locally responsive, but by having implementation closer to the people their oversight is direct and officials can less easily hide (e.g. Bolivia Popular Participation Law). However, most decentralisation programmes are uneven, involving deconcentration of some administrative functions rather than full-blown devolution giving local authorities significant power. At best where programmes are implemented by local government, the local citizenry can monitor outcomes but have little input into policy design or prioritisation. However, where citizenship is exercised, through such things as scorecards and local poverty monitoring committees, there may be the potential to begin a process of political change.

In Bolivia the decentralisation process is well established and the so-called ‘Municipalisation’ has produced a substantial redistribution of national revenue towards locally controlled spending. The National Dialogue involved over 1,200 encounters at municipal levels with all municipalities. Small, rural, and poor municipalities appear to have gained the most from the allocation of HIPC and other concessional funds, possibly as a result of their overwhelming presence in the dialogue (Piron and Evans 2004). However, the potential of decentralization may be undermined by municipal governments not representing all their constituents because of the influence of national political parties. This is compounded by insufficient capacity at the municipal level, especially in poor municipalities, in terms of both planning and monitoring. Ultimately, this means that the formal mechanisms are insufficient for exacting accountability of the PRS process to poor people.

Informal accountability mechanisms

Downward accountability mechanisms are at the heart of the social accountability agenda. Ideally the poor should act as free agents and interact directly with political institutions. However, as noticed in the consultation section of this report, they require various intermediaries and representatives to make their claims. There is a growing amount of evidence that decentralization changes the state in ways that fragment some pro-poor forces, as with the women’s movement in Uganda (Goetz 2003) and Bolivia (Jeppesen 2002), as well as unions in the latter. Williams et al (2003) demonstrate how the poor use more elite brokers to approach local government officials. The poor do lack power, but have quite creative ways of making the best of their circumstances. More often though, the poor are represented by various CSOs, which was the case in the Bolivia and Zambia case studies.

Some innovative methods have been introduced elsewhere in order to strengthen citizenship-based accountability, people making claims by themselves rather than using intermediaries, such as report cards and social audits. For example, the Philippine Citizen’s Report Card is an instrument aiming for improved governance and accountability (World Bank 2002), although the effectiveness of these as accountability drivers depends on how they are used and how their findings are disseminated. More embedded institutions have also been established, like Vigilance Committees (e.g. Bolivia). Further examples of accountability include participatory budgeting, which allows citizens to not only suggest budget priorities, but also monitor and evaluate government expenditure ex post facto. As discussed below, such policies depend on existing state-society relations and the political leanings of local and/or national government. Clearly, in highly authoritarian regimes it is unlikely that citizen scrutiny will be easy to instigate. A potential danger of these informal
activities is that they may by-pass the state system and so remain unregulated and potentially fragmented. In such cases, local fiefdoms may result in accountability just between local bosses and power elites. A further form of citizenship action, though not one which is much discussed among PRSP advocates, is protest. The World Development Movement (WDM 2002) have catalogued the major reactions to the PRSP process, which is a means of engaging in debate and addressing accountability.

Accountability and the budget cycle

Budgeting is often seen as the most visible way of monitoring activity and ensuring accountability, and so has become one of the main targets for reform. While PRSPs promise to be locally designed and owned, they are largely generic adjustment programme whereby the macroeconomic picture is sown up beforehand (Craig and Porter 2003). In Zambia, but one could easily apply it more generally, Seshamani (2005) refers to the budget as the ‘hottest’ form of conditionality.

The current formal budgeting procedures under PRSPs suffer from a high degree of dissonance and fragmentation. Most importantly the PRS allocations and budget cycles are not harmonised such that PRSPs, MTEFs, and budgets work on different temporal and allocative logics. One of the outcomes of this is that PRS priorities are not translated into budget allocations, which may limit their pro-poor impacts. On top of this, PRSPs often have a number of uncosted items as a result of poor data, which means that budget support is further undermined as unplanned costs continually emerge and retard the developmental impacts of spending. Budgets are also poorly prioritised or rationally planned such that no single coherent budget, which can weigh up relative sector priorities, exists.

Box 9: Municipalisation and the social control mechanism in Bolivia

In Bolivia the municipalities and Vigilance Committees were initially used in the PRSP consultation exercise, but were later the basis of the ‘Social Control Mechanism’, for stakeholder monitoring of the EBRP/HIPC agreements. The ‘Social Control Mechanism’ seeks to build domestic accountability through the networking of Vigilance Committees in different municipalities, with government departments. Departmental committees are composed of representatives of the lower-level networks and interest groups (Piron and Evans 2004). The SCM extends up to the national-level where the executive, assembly and secretariat are able to interact with the government and donors. The purpose of this nation-wide mechanism is to monitor the use of donor funds and investigate complaints.

The SCM is an innovative response to the issue of accountability which links the PRSP and donor monitoring mechanisms with domestic institutions. However, there are concerns that it creates a parallel system to monitor the implementation of the EBRP which sits outside of the intended state systems. The survey showed that the VCs are in transition, with some communities denouncing them. While they hold meetings periodically to monitor the progress of works and to review contracts, they do not always inform the people of the findings. In other municipalities the VCs have been surpassed by the inter-community assemblies (indigenous groups or unions) to which the local mayors present regular reports on their actions. This is compounded by a technocratic emphasis on targets as opposed to outcomes. This is realised in an emphasis on cost control and activity fulfilment rather than the quality of the results. This lack of poverty impact is bound up in the agendas of some CSOs within the municipality structure. They consider the funds coming from the HIPC programme to belong to them so that they have no desire or incentive to present them as part of a poverty reduction policy. This reinforces a political culture based on hierarchy and displays of power, which controls and manipulates financial information.
Box 10: Zambia’s MTEF and budget process

The Medium Term Expenditure Framework (MTEF) is not a plan but rather an instrument for plan implementation, which enhances the annual budgeting process. In other words, it forms part of the public financial management system. It provides a framework within which both public and donor resources are allocated among sectors so as to achieve government objectives.

The MTEF normally covers a three-year rolling time period. Its objective is to allocate public resources (including donor resources) according to the following principles:

- Ensure efficient allocation and management of public resources.
- Develop and maintain fiscal discipline in allocation and management of public resources.
- Ensure commitment to budget priorities at macro and sectoral levels.
- Improve accountability of national resources.
- Enhance predictability in the flow of resources.

The methodology used in the MTEF is based on a top down and bottom up approach. The top down approach involves estimating the total resource envelope for a three-year period and allocating these resources among line ministries according to government priorities. The bottom up approach involves the prioritisation of activities and related costs by the government agents so as to fit the set ceilings provided at the top. These activities are expected to be based on a plan that sets out the ministries’ objectives and outputs. This means that the budget formulation process was changed from an incremental to an activity based approach.

Its major weakness is that it has failed to address legal loopholes, which has resulted in the abuse of the annual budget system it is intended to enhance. Moreover, it does not address the difficult problem of handling the divergence of interest between donors and the government.

A lot of strategies and projects/programmes identified in the PRSP had no corresponding resources available for their implementation in the annual budget. In order to ensure that projects/programmes in the TNDP/PRSP were allocated the required resources a multiple year financial resource allocation framework was needed. The TNDP, which incorporates the PRSP, requires substantial resources, which the country did not have due to long periods of economic stagnation. Therefore, the MTEF is aimed at assisting the government to prioritise financial allocations so that only activities crucial for ensuring sustained economic growth with employment creation and direct poverty reduction are included for immediate implementation.

The budget comprises two documents: The budget policy statement in the form of the budget speech presented by the Minister of MoFNP and the Estimates of Revenue and Expenditure (Yellow Book), which is also presented by the Minister to Parliament at the same time. Budget provisions, which affect the welfare of children and their families in terms of revenues and expenditures, are given in different sections of the budget. Budgetary allocations meant to improve the welfare of children can be traced under allocation to the Ministry of Education, Health, Community Development and Social Services, Sport Youth and Child Development, etc. Both the children and their families may not posses the skills necessary to directly interrogate and meaningfully engage with the budget documents and the MoFNP.

The government makes consultations with non-state actors during the budget preparation process, which is co-ordinated by the Budget Department of the MoFNP. Non-state actors, including the business community, have traditionally submitted budget proposals in response to invitations to do so from the MoFNP. These submissions have been requested on the basis of common practice. Although there are no regulations or laws binding MoFNP to consider the submissions, MoFNP has always encouraged and considered such submissions.

The 2004 Budget was planned and allocated on an activity basis and this made debate and oversight much easier. In Parliament, questions were asked about the uses of funds whereas at line ministry, provincial and district levels comments were made about relating costs to activities and also about the prioritising of activities. So, a relatively good start has been made and activity-based budgeting (ABB) may turn into an effective budgeting institution for management by results (Folscher 2004).
The participation and usefulness of the information is limited, due to a lack of hard budget and contextual information made available to the civil society organisations (CSOs) by governments. In combination, these two factors constrain the quantity and quality of the CSOs’ interaction with the budget and the extent to which the government can use the information. The CSOs organize themselves only to a limited extent by making joint submissions on the budget. For these reasons, their engagement is meaningful and effective only to a limited extent and the exercise has been turned into a forum where interest groups ask for all kinds of tax privileges from the government.

In terms of monitoring and accountability of this formal budget system, there are a whole series of weaknesses, many of which pre-date the PRSPs. Most importantly there are very weak public expenditure management (PEM) systems and structures (WB/IMF 2003 and 2004). This issue is seen as a priority by most analysts, with the BWIs and other donors making great efforts at remedying these weaknesses. The formal monitoring structures, such as watchdogs and ombudsmen, are either non-existent or their capacity is poor. Additionally, parliaments have been side-lined in these deliberations and, given their relatively secrecy, the media has been unable to exercise its independent monitoring functions. A more general issue, partly related to the PEM weaknesses, but also beyond them is that it is difficult to track the impacts of policy. This is partly about the ‘missing middle’, in terms of understanding the chains of causality; but also the fine art of knowing what, if any, differences policies have made. As a result, there is no real feedback mechanism that identifies what does or doesn’t work and what policy parameters could be strengthened or adjusted as a result.

### Box 11: Formal financial management in Bolivia

There is an emphasis on the supervision of expenses and compliance with the activities, rather than an emphasis on the quality of the results (e.g. How much was spent?, attendance of teachers?). While the PRSP was obliged to improve the integration of budget processes and execution of expenditure, the process has suffered from serious difficulties due to a duality of functions, for example between the Ministries of Finance, Popular Participation and other sectoral bodies, which in 2004 obliged the Executive Branch to issue norms on coordination. In terms of reporting on budget execution this largely occurs upon conclusion of the works. However, in general municipal accounting reports lack credibility. This is because on the one hand, there is little transparency in the financial information and on the other there are contradictions on the financial and operational execution. Accounting reports and information on NGO counterpart funds are not shared with civil society.

### Box 12: Formal financial management in Zambia

The Inter Ministerial Technical Committee, PDCC and DDCC collect and compile information on all projects and programmes, which are poverty reducing. Achieving efficient management of the PRSP/TNDP requires that financial allocations through the budget should be managed within the framework of the country public financial management system.

Financial management, monitoring, reporting and evaluation are the responsibility of MoFNP through the Office of the Accountant General (OAG), the Monitoring and Evaluation Unit in the Planning and Economic Management Department, Office of the Auditor General (AG) and Central Statistical Office (CSO). The law is quite clear in providing for regular monitoring and reporting by line ministries or any other spending agency on how public resources, including PRSP resources are being expended. This requires two kinds of systems: firstly systems to record and report financial transactions and secondly, financial oversight or monitoring, i.e., auditing systems.

It is hoped that the systems to support budget management and protect the integrity of budget information will be improved with the introduction of the MTEF, Integrated Financial Management Information System (IFMIS, which is in abeyance for the time being) and the HiP initiative. Although the legal framework is in place, certain weaknesses have been identified while some provisions of the law are not enforced in practice.
• The cash budget allows for sporadic and unco-ordinated budget-making during the fiscal year, which would continue to undermine the development of the MTEF, national development planning and achievement of good budget practice. The cash accounting system does not capture all relevant cash transactions, the timeliness of capturing information is poor, the current system does not provide adequate classification, arrears and commitments have to be captured separately, and the quality of information on arrears and commitments is still poor. However, there are no incentives for capturing information and no sanctions are applied for non-capture of financial information.

• The reporting mechanisms are poor due to weak capacity and a tendency to duplicate efforts, thereby further depleting scarce capacity. In-year reporting systems on expenditures and revenue are regularly provided through the monthly activity reports and the quarterly activity/implementation status and funding profiles which are produced by each department. However, the ex post facto authorisation mechanism of excess supplementary and unconstitutional expenditures leaves the door open for overshooting the budget ceilings. The financial ceilings allotted to each department and division head to approve financial transactions makes it difficult for controlling officers to adequately control financial transactions under their responsibilities. The AG’s report is usually late due to a combination of factors such as delays in preparing monthly expenditure returns by departments and capacity inadequacies in the AG’s office. The capacity of the AG office is weakened by inadequate funding.

Most often, donors disburse their financial support to the government through designated bank accounts. However, this control becomes somewhat murky when the financial resources are pooled into a single or joint account in line with the HiP initiative. When resources are directly disbursed by the donor to a sector there is no tracking mechanism into government coffers unless they are deposited into a government account. If there was no budget line for them, they would require supplementary allocation.

Progress in implementing poverty reducing programmes is undertaken at different levels. The planning sub-committees of the DDCC and the Monitoring and Evaluation Secretariat of the PDCCs undertake monitoring and evaluation of projects and programmes which are being implemented. These committees also facilitate the collection of data from various sectors, which are used in the compilation of reports on poverty reduction programmes in all sectors. The role of the DDCC is to discuss, assess and scrutinize the data for tracking programme/policy implementation and development issues. The DDCC prepare reports that are consolidated into provincial reports.

The role of the PDCC is to discuss and consolidate district reports and submit them to MoFNP which are in turn discussed, together with sectoral reports from line ministries by the Sector Advisory Groups (SAGs), formed from the PRSP Working Groups, which constitute the consultative structures at the sectoral level. The Sector Advisory Groups (SAGs) have been resurrected to monitor on-going implementation of the PRSP involving, amongst other things, a refined national indicator framework. There are several initiatives contributing to the development of this framework. A new monitoring and evaluation unit has been established in the economic management and planning division of the MoFNP: this unit is currently putting in place a nationwide structure of provincial level monitoring and evaluation secretariats comprising existing planners in the provinces. The secretariats are tasked with inventorying all projects in their jurisdictions, and will in future monitor project implementation. At national level the new unit acknowledges the need to monitor the refined indicator framework, but it is not yet clear on how it would do so, beyond utilizing the SAGs (Folscher 2004). Line ministries obtain their monitoring data from provinces and grant-aided institutions. The various reports are then consolidated, presented and discussed at the National Annual Poverty Review Forum (NARF). The NARF reports are forwarded to cabinet. The Monitoring and Evaluation Unit in PEMD has so far facilitated nine monitoring and evaluation tours involving Inter-Ministerial Technical Committees and Provincial Monitoring and Evaluation Secretariat members. A total of 116 poverty reduction projects were inspected.
Informal budgetary monitoring: possibilities for the poor

In terms of informal budgetary monitoring and accountability there have been a number of movements as well as externally-driven experiments. Perhaps the most noteworthy are the participatory budgeting initiatives, which as we have seen relied on institutionalising political voices in a conducive macro-political context (Heller 2001, Hickey and Mohan 2004). Such ‘organic’ participatory processes have been incorporated into more formalised procedures. For example, citizen scorecards (Goetz 2003, McGee and Norton 2000) have been used which rate the performance of various public services. Similarly, social auditing (World Bank 2003a) is a way of tracking spending right down to frontline service delivery units.

An important example of Participatory Budget Analysis comes from Gujarat, India. Investment in tribal areas was poor which prompted Development Initiatives for Social and Human Action (DISHA) to embark upon budget analysis to check what happened to funds allotted in the tribes’ name. DISHA obtains budget documents, reviews and disaggregates departmental allocations for different beneficiaries, researches the discrepancy between proposed and actual spending, and prepares briefs to inform public debates. They follow the auditor general’s standard guidelines on budget coding to compute alternative figures and dispute and contest official statistics. Basic knowledge of accounting systems gave DISHA significant confidence to go on to the next phase of doing the actual analysis of the contents. After obtaining the documents on the day the budget is presented to the assembly, researchers at DISHA analyse the data on revenue and expenditures, and interpret what the proposed allocations, if spent, mean for the poor. These analyses are written in populist language and are designed to create demand for explanations from the ruling government. DISHA is creating a strong system of information exchange that is assisting communities to articulate demands and create pressure to establish accountability within the public expenditure system (World Bank 2002).

Another case is the South Africa's Women's Budget Initiative (WBI), which analysed the budget for its impact on different groups by gender. Within a year of its establishment in 1995, a parallel initiative for a gender analysis of the budget within government was launched. The information and analysis, like the Gujarat case, is disseminated in plainly written local languages and through other media that illiterates can understand. The success of the WBI supports our earlier claim that an alliance between CSOs and parliamentarians prised open the budget process and forced the institutionalisation of gender-aware policy. Once institutionalised both the CSOs and state agencies worked together closely to ensure more rational planning and monitoring of budgets.

Box 13: Informal accountability mechanisms in Zambia

Non-state actors are also encouraged to conduct independent physical monitoring of poverty reducing activities under funding from the government and donors. These organisations usually discuss their reports at public forums. A number of Civil Society Organisations (CSOs) such as Civil Society for Poverty Reduction (CSPR) and Catholic Commission for Justice Development and Peace (CCJDP) have begun tracking poverty reduction expenditures under the PRSP at the grass roots level, involving the communities themselves. Civil Society participation in the budget process has been enhanced by the introduction of the Revenue Institutions Zambia Enhanced Support (RIZES) Civil Society Organisations project at the end of 2002. This is purposed to support Zambia’s Civil Society Organisations, whose constituents include the business community, the workers and the poor, to contribute to the debate on public finances under funding from DFID.

Civil society has had some successes with its engagement with the budget. A case in point is the inclusion of poverty issues in the budget since 1998. This was after the then Catholic Commission for Justice and Peace (now CCJDP) pointed out the need for the budget to allocate financial resources for poverty reduction in 1997. There has also been a slow growing effort by the MoFNP to allocate more resources to the social sectors. This came about as a result of civil society organisations’ insistence on government allocating meaningful resources to the social sectors. This initiative came into fruition when donors added their voice to it. With the multiplicity of voices it is hoped that government will be more willing to listen, especially, in that civil society is now pursuing channels of making budget advocacy more locally based (in districts) rather than Lusaka based. The other successful engagement is CSPR holding a civil society consultation workshop under financial support of the DFID and World Bank in early 2005. This provided a forum to discuss findings of the Zambia Poverty and Vulnerability Assessment Studies.
Recommendations on accountability

• Donors should focus on improving the Public Expenditure Management and Financial Accountability (PEMFA), with clearly ring-fenced direct MDG-focused resources. Information about the budget should be made public both at the donor and government side in order to make independent monitoring possible.

• Encourage the formation of community-based organisations and provide space and capacity of community based, civil society and research organisations to independently monitor the implementation of the plan documents and the budget.

• Donors should have clear policy frameworks for civil society participation in policy making and monitoring both in the North and South, and provide for this participation in the general budget support and in terms of the right to access information.

Whereas the above section explored direct forms of accountability of the PRS process to the poor, monitoring and evaluation also offer a great opportunity for engaging domestic constituencies to holding PRSs to account. Lessons from PRS monitoring and evaluation, should essentially be the source for credible indicators and targets for country-level ownership, alignment and harmonisation negotiations.

37 It is interesting to note that researchers in Bolivia found it difficult to express in Spanish the integral sense of the English term ‘accountability’. This was because it the dictionary definition is ‘rendering accounts’, which restricts the term to a quantitative meaning, more linked to financial results and reports about the expenditure of resources after carrying out activities. In this sense rendering of accounts would allude more to an administrative process than to a relationship mechanism between social stakeholders

38 In Zambia, the understanding of accountability was much more straightforward except for perceptions of how far we could expect the ordinary citizens to hold government to account on the budget side of the PRS.
The first generation of PRSPs emphasised, logically enough, their design and attempted some level of popular participation in formulation. However, now that PRSPs are an established policy device and some have been in place long enough to yield results, more attention needs to be given to measuring impacts and learning from past experiences. It is in delivering results-based policy that M&E becomes important in two related aspects:

- **M&E is important for progress checking** – how is the implementation proceeding and how can we design subsequent interventions better? Clearly, this requires reliable data capture and analysis.
- **M&E is important for accountability** – making it possible to cross-check impacts against aims and ask why goals have not been achieved. Again, this requires good data, its dissemination, and the ability of people to make sense of it as well as, crucially, the ability of turning ‘voice’ into change.

### Types of Monitoring & Evaluation within PRSs

PRSs are designed to be pro-poor and comprehensive by integrating hitherto fragmented policy processes. Moreover, PRSs are also innovative in addressing poverty as a multi-dimensional problem. As such they present a massive challenge to bureaucrats charged with collecting and synthesising these disparate information sources. Despite the goal of harmonising and coordinating poverty reduction initiatives, the PRS process is still quite complex with respect to who monitors, how, and for what purposes? In this subsection we set out the major monitoring bodies (Lucas et al 2004) and methods before, in the following subsection, assessing the constraints they face.

- **The PRS monitoring committee** – this is a high-level committee charged with co-ordinating the efforts of other monitoring units. In many countries this is located within the Ministry of Finance.
- **The Technical Secretariat** – is where, ideally, the most highly skilled technocrats are based. Its key tasks are identifying data needs and overseeing its collection, analysis and dissemination.
- **Decentralised administrative units** – where data collection can be devolved through line ministries and decentralised units. This clearly depends on the degree of competence at the local level.
- **Donors** – this is a key issue in terms of ownership and accountability. The donors have a range of formal and less formal mechanisms for monitoring progress including the Joint Staff Assessments, Annual Progress Reports (ODI, 2004) and Country Policy Institutional Assessments (BWP, 2004).

In terms of the types of data that are monitored there is a range of methods. In the main there has been an attempt to build routine data systems, such as the sectoral Management Information System (MIS), which are particularly evident in the health and education sectors. However, given that the coverage and desegregation of these data are often poor, some countries also undertake various sample surveys (Booth and Lucas 2002). These may be quite focused, such as Public Expenditure Tracking Surveys (PETS), which track expenditures down to the frontline units, or they are broad-based such as household surveys. The aim of these more general surveys is to compensate for the paucity of routine data so that more localised patterns can be inferred from them. In addition to the routine and survey methods there are a range of more participatory approaches, some of which complement existing methods, such as the well-known PPAs and Participatory PETS (PPETS). However, others include social auditing and budget monitoring (see earlier), citizen report cards, satisfaction surveys, poverty observatories and local poverty monitoring committees. It is in these latter types that the NGO sector has been active and supportive.39

In Uganda, for example, M&E became a vehicle for building partnerships within and between government, civil society, and external cooperation partners, because it improved stakeholder communication and consensus building. As a result of inadequate and unreliable data on budget allocation the Ugandan government recognized the importance of developing a unified, national M&E system. An important element has been the Public Expenditure Tracking Surveys (PETS), which have been very influential in highlighting the use and abuse of public money. In Bangalore in India, Public Service Report Cards monitor users’ satisfaction. They present a quantitative measure of satisfaction and perceived levels of corruption. Following coverage in the media, this system not only mobilized citizen and government support for reform, but also prompted the rated agencies themselves to respond positively to civic calls for improvement in services.
In Bolivia an interesting attempt to promote effective provider-community partnerships through the generation, analysis and use of information has been pioneered by Save the Children and Johns Hopkins University in a USAID-funded pilot project (Booth and Lucas 2002). Communities and service providers have worked together to develop a community health information system, ‘SECI’ (Sistema Epidemiológico Comunitario Informático). This is intended to provide data that they can use collaboratively to make decisions, set priorities, plan activities and monitor progress. Participatory methods were used to consider health concepts and health problem identification as well as to explore a range of necessary skills. This fed into the agreed design for the information system, determining its various components and the procedures for information gathering, analysis and dissemination. Data presentation is usually in the form of graphics, which can be readily interpreted by all members of the community, both literate and illiterate. The project appears to have sustained interest with providers and communities acting together to raise additional funding from local government. Community pressure ensured that a hospital received its full budget allocation and health service utilisation indicators appear to have increased substantially.

Constraints within current M&E systems

If M&E is to function as an accountability driver, then it must deliver reliable data in a way that is of use to the diverse range of stakeholders, most important of which are the poor and their representative organisations. However, the current systems are constrained by quality of data, technical capacity, and administrative confusion. In terms of data, broadly speaking its availability is poor. Either it is lacking altogether (Lucas et al 2004), is unfocused, or is not disaggregated in a meaningful way. The latter is particularly problematic for highlighting the specific problems faced by marginal groups such as women and children, because aggregate data may suggest a relatively successful PRS process, which in fact further excludes these vulnerable groups (O’Malley 2004). It is here that more focused survey-based and/or qualitative data is useful, but its coverage may be such that it cannot reliably inform national level processes. A related problem with data capture and interpretation is what Lucas et al (2004) term the ‘missing middle’. This relates to the way in which data tends to measure poverty impacts from a specified basket of policy inputs. What we know little about, as

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**Box 14: M&E constraints in Bolivia and Zambia**

**Bolivia**

As the social control mechanism has not been consolidated and as there are serious deficiencies in other institutional mechanisms, e.g. the vigilance committees, the poorest and most excluded population groups fall further behind. Community control is expressed in the communities’ supervision of compliance with municipal commitments. Here, participatory supervision processes are being implemented using different models such as the popular participation council, the intervention of union assemblies and OTBs that exercise pressure on execution of the plans. Additionally, periodic reporting at the community and municipal levels is being enhanced, in some cases as much as monthly. These take decisions beyond the vigilance committees and regulate and strengthen communal participation thus achieving more effective and strict supervision. Not only do the municipalities and their executive levels participate in this supervision, but also the NGOs, aimed at coordinating interventions in development processes.

**Zambia**

In terms of monitoring state and non-state entities suffer from varying degrees of structural deficiencies. State entities suffer from inadequate office space, furniture, equipment, transport and office supplies as well as human capacity. The planning capacity that was developed in the former National Commission for Development Planning and other line ministries was lost with the abandonment of national planning. With the re-introduction of planning in MoFNP, planning capacity is lacking. This lack of capacity replicates itself through out the sectoral ministries, provinces and districts.
There is a critical need for rationalisation and standardisation of data requirements.

This was not a priority for first generation PRSPs, as the chain of causality between policy implementation and outcomes. In terms of improving all these data related problems, the World Bank and IMF (2004) propose to rationalize the range of indicators that are monitored. They also aim to track these intermediary indicators that tell us more about how policies actually work and, therefore, how they could be improved.

Underlying much of this paucity of data within the government bureaucracy, as strongly evident in our case studies, are problems with technical skills and resources. When combined with political barriers to access, this situation makes it even more complex for other actors including civil society, to provide input or access data for their own independent analysis. Basically, the level of expertise and absolute number of such experts in government is lacking in most countries. The technical secretariats, which are supposed to co-ordinate data collection, analysis and dissemination are understaffed with only a handful of competent staff. At lower levels of bureaucracy this capacity is even worse. Allied to this is the problem of unrealistic time-frames, with these hard-pressed analysts being asked to service PRSP monitoring loads on top of existing demands for data. It is felt that the PRSP process adds yet more demands on data, and in some cases duplicates data that is already in existence. Again, this points to the need for rationalisation and standardisation of data requirements.

The last two joint World Bank/IMF (2003, 2004) progress reports on PRSs admitted that there had been something of a fixation among the BWIs with getting the data right in terms of quality and availability. What was generally overlooked and not supported to any great degree were the administrative structures in which data collection took place. There is widespread evidence of overlapping responsibilities between different state agencies or between the state and donors with resulting wastage, confusion and duplication. Other countries have quite fragmented systems with different units collecting different data, which may be incompatible in terms of putting the bigger picture together. Despite widespread decentralisation prior to and as a part of many PRSs, local government is generally an unsafe bet in terms of data collection despite being ‘closer to the people’ (Lucas et al 2004). This makes it even more difficult for poor people and civil society to participate, as most of these bureaucratic difficulties are not even made transparent to the citizens. Furthermore, this means that the data for PRSP Annual Progress Reports (APRs) is developed with weak participation of local governments and civil society at the grassroots (World Vision Canada 2004).

On the other hand donors rely on Performance Assessment Frameworks (PAFs) that cover only their sectors of interest, which in the case of Zambia were in education and health. The relationship between the APR and PAFs is, therefore, very weak at the moment.

Key developments in M&E systems: Poverty Social Impact Analysis

Partly as a response to these constraints a number of innovations in M&E have been introduced, the most important of which are the Poverty and Social Impact Analysis (PSIA) and changes to the various appraisals run by the BWIs. PSIAs are designed to assess the distributional impacts of PRSPs. First piloted in 12 countries in 2001/2 these assessments have become widespread and sufficiently institutionalised that the World Bank has a User Guide (World Bank 2003a). They are seen as beneficial because they make the assumptions about the linkages between poverty and reform explicit, they ensure policies are not judged purely in terms of economic efficiency, and improve the quality of debate for all stakeholders (ODI 2004).

PSIAs are based on existing methodologies such as the Social Capital Assessment Tool (SCAT), Quantitative Service Delivery Surveys (QSDS), and Integrated Macroeconomic Model for Poverty Analysis (IMMPA). What is novel is that they are applied to policy reforms rather than projects, and could address the ‘missing middle’ issue identified above by focusing on the ‘channelling’ of impacts and the role of institutions in affecting outcomes (World Bank 2003a).

While a welcome synthesis, which could streamline and enhance the rigour of outcome based poverty analysis a number of issues with PSIA remain to be addressed:

- The capacity issues outlined above are only just being addressed and it remains to be seen whether programmes to enhance capacity will result in more rigorous and insightful poverty analysis. Perspectives from our Zambian and Bolivian case studies showed that PSIA as is currently used is more of a planning tool for donors, especially the World Bank, rather than a monitoring tool for all stakeholders. It requires high level of sophistication not readily available in government and civil society (cf. Spencer, 2005).

- Many of the analytical issues around different techniques remain. In particular, the value of surveys continues to be questioned and methodologies, which are able to rigorously combine qualitative and quantitative data and produce convincing interdisciplinary analysis, are
enough time for sufficient stakeholder engagement and debate.

- How it is done – feedback to national constituencies; making PSIA public; workshops; injecting PSIA into policy debate and formulation/revision.

Bretton Woods Institutions’ reporting and monitoring procedures

In terms of upward accountability, attention has recently been turned to the mechanisms used by the BWIs (World Bank/IMF 2003). Most notably are the Joint Staff Assessments (JSAs) and the Annual Progress Reports (APRs) (ODI 2004). These are signalling devices for the Executive Boards of the World Bank and IMF and are an important element in determining on-going concessional support. They are also a vehicle for providing helpful feedback to countries on the progress of the PRS and highlighting areas where improvements can be made. The JSA is quite prescriptive in the information it requires and most of them have been Washington-driven, with other donors seeking greater input into consultation around them. Again, these hold the potential to rationalise and harmonise the reporting and assessment of PRSPs, but their impact as decision-making and accountability mechanisms is limited for a number of reasons.

The JSA is seen to lack candour and it is not clear whether and how the recommendations are prioritised. The BWIs are aware of this and will try to harmonise their activities with existing in-country procedures. Indeed, they even go as far as to state that individual governments should determine how they report annually within certain parameters laid down by them.

- However, in terms of changing the political system there have been some other intangible, but nonetheless important, benefits including building capacity, promoting a climate of evidence-based policy making, and enhancing citizenship engagement in a few cases (ODI, 2003).

In terms of ways forward for PSIA approaches, the key is that PSIA should be undertaken in a way that is transparent and accountable, with principles of transparency and accountability applied to all stages of PSIA. This will give more room for civil society and developing country governments to have more room for making their own trade-offs among policy choices both ex-ante and ex-post PSIA. This will accordingly also deepen ownership and domestic accountability in the process. To this end, the following approaches have been recommended (Hanmer and Hendrie 2002):

- Which policy(ies) is selected for PSIA? – stakeholder views must be sought and considered; creation of wide ownership/interest in the process; need for forward planning jointly with all key players.

- Who does the analysis? – independence of researchers is critical; ownership and legitimacy of the work need to be ensured; choices of who does the work should be driven by these considerations. Institutional capacity building should also figure as key concern.

- When it is done – what stage in PRS/PRGF/PRSC/SAL cycle. Need to incorporate
time and manpower. In other cases it reflects an absolute lack of participation, especially among CSOs and parliaments.

Overall these instruments have been about reporting to the BWIs and not feeding progress back to domestic constituencies. This has clearly created tensions over national ownership of the PRSP process and begs further questions about the ability of the poor to influence policy.

Recommendations on Monitoring and Evaluation of PRSs

- Donors and governments should set transparent indicators and targets for the PRS process and access to important data, linked the production of specific decision-making tools such as APRs and PAFs. This should be part of the country-level alignment and harmonisation agreements.
- M&E results should be fed into the political process and empower different stakeholders to debate and potentially change the direction and content of policy.
- Strengthening the capacity and participation of CSOs and the media, through donor-funded training programmes, should be a priority in order to ensure that the progress of PRSs can be measured against their aims. The majority of M&E activities are driven by states in order to be accountable to donors at the moment. This means that meaningful popular input and scrutiny of data is weak, which undermines downward accountability to citizens, especially the poorest.
- There is need for enhanced capacity within NGOs as well as state-based technical departments if there is to be a genuine dialogue over the PRS process. As it stands the Bretton Woods Institutions (BWIs) hold the technical and political strings, with other stakeholders too incapacitated or simply sidelined in discussions.

- Poverty Social Impact Analysis should be undertaken in a transparent and accountable manner at all stages and adequately linked to stages of the PRS cycle. It should also be linked to the negotiation of other important donor instruments such as PRGF/PRSC, ensuring that macro-economic trade-offs are negotiated against sufficient contextual considerations rather than applying generic economic models to all situations. Enough time should be provided for public debate, making PSIA public (Hanmer and Hendrie, 2002).

39 World Vision Australia has been facilitating a ‘Community-Based Performance Monitoring’ training with partners in several countries aimed at improving access to services at a local level and for fostering social accountability locally and nationally (World Vision Australia, 2005).

40 A critical review of the IMF involvement in PSIA is presented by Rafael Gomes and Max Lawson (Gomes and Lawson, 2005), which argue that the IMF has to review the economic argument on which PRGFs are currently based if they are to promote PSIA that are relevant for the poor. With many poor people dependent on informal economies, it is not of use for PSIA to focus on macro-economic stability and growth in ways that are not properly related to the working of these informal economies.

41 Joint Staff Assessments are being replaced by Joint Staff Advisory Notes (JSAN) with Zambia having received a more recent one, June 2005 (IMF, 2005b). The difference is mainly in the provision for consultations with other stakeholders besides government, in the case of Zambia, through the Sectoral Advisory Groups where civil society organizations are allowed to participate. They, however, still remain in control of IMF staff for their board report and decisions on lending and debt relief provisions, which limits their potential for fostering any greater downward accountability.
The Government of Zambia also agreed to a Harmonisation Memorandum of Understanding (MOU) in 2004 with a view to co-ordinate and harmonise donor/government practices for aid effectiveness in Zambia. This Harmonisation in Practice (HiP) initiative was meant to put the government of Zambia in the “drivers seat” (GRZ, 2004a, 2004b) on managing relations with donors including on direct budget support (see Box 1 above for more background information).

However, evidence from both Bolivia and Zambia, and other countries, often shows that the donor’s role does not help progress towards harmonisation and alignment. Firstly, funding generally remains project-centred rather than in the form of direct budget support and usually targeted at short to medium term objectives rather than longer-term development. Secondly, aid delivery is unpredictable, which exacerbates budgetary planning problems. Thirdly, donor support is fragmented, although some countries have budget support groups made up of the key donors who do co-ordinate reasonably well. Fourthly, in terms of political influence, donors prefer direct budget support, because relatively little money can buy significant access to political decision-making, but this logic does contradict the stated aims of country ownership. In Zambia, for example, project financing is the preferred mode of support by donor, which averages 80 percent per year (see Fig. 4 below). This is despite the donors’ promise for better integration of aid in the budget process.

Reporting on donor funded projects have often been designed to meet the information needs of donors instead of supporting the recipient country’s priorities. Donors tend to demand separate reporting mechanisms and this creates a substantial administrative burden on both donors and the government. The combined reporting demands by the donors and the diversity of their reporting formats, which come at different times of the year, have generally exceeded the countries’ capacity to deliver useful and timely data.

As noted in the introduction to this report, country leadership of the PRS process is quite weak at the moment, and more problematic when it comes to donor sector alignment although broadly, the harmonisation initiatives are helping donors to have their plans informed from PRS priorities. The fact that most budgets are still project based means that whereas donor get involved in influencing government PRS priorities, developing country governments do not have opportunities to directly influence donor preparations of their country programmes or assistance plans. For donors this reflects how they reconcile what happens in country to what their governments chose to be their policy and sectoral priorities. These issues need to be reflected in the national harmonisation plans if they are to be central to government policy, including definitions of what ownership, alignment and harmonisation means for each actor. However, all these alignment agendas should be based on consultations that allow influence by and accountability to the poor.

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Alignment and Harmonisation

It was interesting to note that in the Bolivia case, various international aid agencies, rather than just donors demonstrated the desire to align their programmes with the BPRS and MDGs. For instance, CARE Bolivia has set its five-year strategic programming goals aimed at contributing to increasing people’s wealth in accordance with the country parameters. UNICEF also contemplates the question of alignment. They feel that even less than three years ago, each one operated with their own issues and funding. Other agencies within the United Nations System have also looked for alignment and cooperation with the BPRS. The ‘National Harmonization and Alignment Plan’ was drawn up in February 2005, by a team of donor consultants in order to improve the way of working between government and the international community, reducing the costs of transactions by the implementation of actions and initiatives identified within the process of harmonisation and alignment. For implementation they identified three challenges: political will, strengthening institutional capacities and financial commitment. The role of IFIs in controlling the direction of the BPRS, especially on the economy is very strong, albeit enforced from the background.

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Figure 4. Foreign Financing of GRZ Budget

The provided diagram Figure 4. Foreign Financing of GRZ Budget illustrates the capital budget contribution, project support, and budget support over the years 2000 to 2005. The data is derived from Budget Speeches 2000-2005, Ministry of Finance and National Planning, Lusaka.
Donor Conditionality in practice

The strength of the PRSP is its major weakness. While it attempts to tackle poverty in the country, it is anchored on donor conditionalities and financial support. Aid provided with conditionalities is quite volatile. Box 15 provides a summary of donor conditions.

Box 15: Structural Conditionality

IMF Conditionality

Prior Action
Cabinet approval of a proposal to repeal sections of the Building Societies Act, the National Savings and Credit Bank Act and Development Bank of Zambia Amendment Act which are in conflict with the Banking and Financial Services Act.

Public Expenditure Management
- Development of an assessment framework for the PEMFA programme and review of the implementation.
- Budget preparation (MTEF), execution, and reporting (publication of quarterly reports).
- Piloting of an IFMIS and conducting a preliminary review of this pilot.

Debt Management
- Quarterly validation of external data and updating of the debt-service schedule.

Financial Sector
- Cabinet approval of proposals to strengthen the BoZ’s supervision of NBFIs.
- Progress on the resolution of three NBFIs.
- Issuance of new invitation for bids for purchase of 49% percent equity in ZNCB, with management control.

World Bank Conditionality
- Measures to prevent public sector arrears to public utilities.
- Initial reforms of public sector pension schemes.
- Resolution of non bank financial institutions.
- Public expenditure management: revision of the Finance Act and strengthening budget preparation and auditing.
- Control of the government payroll and consolidation of allowances into basic salaries.

European Union Conditionality
- Funding targets for the Ministry of Health and Education, Auditor General’s Office, and poverty-reducing programmes.
- Reporting of budget execution.
- Reporting on progress in primary education, HIV/AIDS prevention, children and women’s health, and female empowerment.

African Development Bank Conditionality
- Strengthening the autonomy and effectiveness of the Auditor General’s Office.

Bilateral Donor Conditionalities
- Joint initiative on PEMFA programme.
- Progress in macroeconomic stability, public financial management, core structural reforms, health, education, and HIV/AIDS.

Most donor conditionalities have been set outside the PRSP framework, most hamper national ownership and the accountability of the government to its own people. Some conditions border on remote micro management of the country and violate the country’s laws. Some conditions are in line with the new paradigm of aid management and harmonisation while others are at variance with the harmonisation effort. The Zambia case shows that governments are in favour of the EU conditionality that are based on previous performances in specific sectors and cross cutting issues. The EU pursues outcome-based conditionality on its variable tranche funding component (EC, 2005). The negotiation of the sector targets in the EC’s approach is known to the government but is not transparent to the country’s citizens. It is also based on the EC’s sectors of interests, although drawn from PRSPs. This means domestic accountability, mainly in terms of social accountability, cannot be achieved simply because the sectors are MDG related and are taken out of the basket of needs that government put together from “consultations” (bearing in mind the discussion on consultation and influence above). Furthermore, the donor with government-only negotiations and analysis of data on specific targets, without civil society and parliamentary involvement, presents a high likelihood of data alteration, as part of the politics of aid negotiation. In terms of children’s voices in both Bolivia and Zambia, issues of quality of their education, behaviour of teachers, which are a critical part of their education, rather than mere numbers of new school blocks or their own enrolment in schools, cannot be captured by outcome-based conditionality. If they were involved, through the appropriate institutional channels, including civil society, outcomes indicators would be improved and other important proxy indicators that pertain to impacts would be taken into account.

The structural conditions, such as in the Box 15 above, were perceived by Zambia as running counter to the Harmonisation in Practice Initiative. Not only do these conditionalities violate the mandate for which the IMF was created, but also violate the country’s laws, in areas in which donors do not have expertise because they are country specific. In essence, as in the case of Bolivia, the government is caught in the middle, between donor demands and those of the people who are ready to protest. In most cases developing country governments are made to implement inappropriate decisions by tying themselves to such conditionalities due to the need to bridge the financing gap or because of promises of debt cancellation. This is done without proper analysis and understanding of the implications of the conditionalities and how the new debt will be repaid. This is the main problem with the current institutional capacities. Some bilateral donors who, apart from putting their own conditions also tie their assistance to prior agreement with the IMF/World Bank programme, compound the problem of the recipient country. This in the end gives the IFIs excessive political leverage. The UK’s new position on conditionality, which seeks to take an independent position to that of the WB/IMF, is yet to be tried in practice (DFID, 2005).

Although donor requirements compel the government to provide poverty reduction information, what is reported in actual sense are monthly releases by the Ministry of Finance and National Planning by spending units on poverty related expenditures. It is not known how spending units apply the financial resources and their impact on poverty reduction. However, in the recent past, both GRZ and non-state actors who are supported by donors undertake various forms of expenditure tracking of poverty reducing activities. Therefore, there is need for greater transparency in the way that conditions are agreed and applied.

Much of this ‘upwards’ and internationalised form of accountability has generally been considered in terms of ‘conditionality’. However, debates and donor practices around conditionality have recently shifted to encompass broader notions of how governments might be held accountable as recipients. Over the past half-decade, there has been a growing consensus that donor policies on ‘conditionality’ required significant levels of reform. In the 1980s, donor conditionality was tied to the take-up and implementation of a specific set of economic and fiscal policy reforms designed to liberalise economies, achieve macroeconomic stability and secure conditions for growth. The key criticisms of this ‘ex ante’ form of policy-based conditionality from a range of recent studies (e.g. Adam et al 2004, Koeberle 2003, Morrissey 2004, Mosley et al 2004, World Bank OED, 2004), are that:

- There is little evidence that conditionality has actually secured the desired policy reforms, or better outcomes. In many cases, the reforms are simply not implemented, and/or it has proved difficult to monitor compliance with the set conditions.
- Few borrowers perceive the threat to withhold funds as a credible threat. Donor policies here are further undermined when they release new funds to pay off old loans, without reforms being implemented. The logic of loan approval that pervades major donor agencies is thus incompatible with conditionality.
• Even when reforms are introduced, they are frequently reversed or abandoned.
• Conditions are often based on best practice and theoretical fixes, which do not account for contextual specificities.
• The formalism and multiplicity of conditions, combined with a lack of coordination amongst donors, generated a conditionality that lacked credibility and was discordant.
• Relatedly, the level of reportage and micromanagement that has accompanied conditionality-based lending acts as a significant drain of civil service capacity, when time and other resources could be better spent on discussing, determining and implementing policy.
• Finally, all of the above undermine country ownership of reform policies.

These problems certainly seem to be apparent in Zambia (Seshamani 2005) but could be applied in other contexts. This disquiet has led to a range of new proposals concerned with how donor financing of development policies in poor countries should operate. One important shift has been in terms of arguing for ex-post rather than ex-ante forms of conditionality – that is, current and/or future lending becomes dependent on outcomes rather than compliance regarding particular policy reforms. This leaves open the range of possible routes to poverty reduction that different recipient government may wish to take. However, the majority of these still perceive a role for conditionality in some form.

In general, four approaches to moving beyond ‘traditional’ forms of conditionality can be identified, ranging from the fairly conservative to the more liberal shifts.

1) Selectivity of aid allocations should be limited to those countries with ‘good’ policy environments and exhibit good performance regarding poverty reduction. This approach has been influential, despite a series of shortcomings. For example, making judgements as to whether or not countries are making the ‘right’ policy choices is an inherently subjective and normative process. According to Koeberle (2003: 259), “there is no reasonable basis to objectively distinguish countries with good policies from countries with bad policies. Most of the (World) Bank’s borrowing countries fall between these two extremes… (and) the countries in this middle ground are home to most of the world’s poor”.

2) Conditionality should be attached to pro-poor public expenditure patterns: the key proponents of this approach also strongly critique selectivity as a basis for conditionality (Mosley et al 2004). It marks an advance on the ‘good policy’ agenda, by tying aid allocations to actual patterns of expenditure, and is poverty focused in that it privileges government spending in those sectors and sub-sectors most strongly associated with pro-poor outcomes. The argument here is that conditionality can and should be keyed to policy variables, which have a demonstrable ability to reduce poverty, and suggest a ‘pro-poor expenditure index’ that can be used to achieve this. This position constitutes something of a halfway-house between ‘old-conditionality’ and more radical proposals to focus on policy outcomes or partnership. According to Mosley et al (2004), this form of monitoring can be undertaken within existing country capabilities, using sufficiently robust cross-national datasets. A further benefit here is that aid has shown some ability to influence patterns of pro-poor expenditure, thus suggesting a more positive potential relationship.

3) Conditionality should be focused on pro-poor results or outcomes: this approach takes the logic of the above approach one step further and suggests that it is now possible to have ‘performance-based conditionality’, based directly on actual pro-poor outcomes rather than the more removed proxy of expenditure patterns. The 2003 Bank review suggests that outcomes-based conditions are less ambiguous and “could also provide more flexibility to the borrowing country to meet objectives in the best way under the circumstances”. A key benefit is expected to be ownership, in that the recipient country gets to choose the policy instruments that can best reach these outcomes, and also a reduction in discordance between donors (provided that they can agree on the outcomes). Preliminary evaluations suggest that there are gains to be had in terms of increased country ownership and donor co-ordination, but that implementation requires very good impact indicators, and for donors to support state capacity in terms of information collection (Adams et al 2004, Koeberle 2003). However, there has also been a tendency to concentrate on policy outputs and outcomes rather than impacts. More fundamentally, there is a danger here that specific policies cannot be unproblematically linked to
particular outcomes, and also that changes in countrywide socio-economic trends may take many years to become apparent. An appropriate approach appears to be an analytical nuance of results that governments have selected from the PRS, along with other stakeholders, that incrementally builds stronger links with policy choices that these domestic stakeholders choose. This will have an inbuilt accountability to both citizens in general and to the more analytical institutions within the country, such as civil society networks and academic institutions, that might be interested in exploring not just results but their policy links as well.

4) **Conditionality should be replaced with partnership:** this position rests on the notion that conditionality has no role to play within donor-recipient relationships, but that aid can still influence policy choice and implementation in a progressive (pro-poor) direction. Here, “aid plays an important role in policy not by dictating choice but by informing and supporting the policy process” (Morrissey 2004: 169). In addition, donors may propose parameters around issues of political legitimacy and human rights within which governments must remain in order to receive aid. As above, with the outcomes approach, governments are empowered to make their own policy choices. This empowerment “will be associated with promoting a political process that encourages governments to recognise the public interest, and the political process of this orientation is more likely to result in policy reform” (ibid.). The danger here is that easy talk of ‘partnerships’ tends to ignore the inherent tensions between stakeholders that have different incentives and who are engaged in complex power relations with each other. In Zambia, and as noted by Seshamani (2005: 16), “Change of nomenclature from ‘donor-recipient’ to ‘cooperating partners’ in development may lend some dignity to Zambia but does not fundamentally alter the nature of the relationship with the donors”.

At present, developing countries are experiencing several of the above forms of conditionality, although there is little evidence of the ‘partnership’ approach. The EC has started outcome-based forms of conditionality, although this experience has yet to be reviewed, especially with regard to the link between outcomes and impacts. This is because it is at the level of impact that poor people’s livelihoods will significantly change, which at the moment cannot be measured because the EC approach focuses on indicators that are able to change annually (EC, 2005; Gunning, 2005). One other is working on public expenditure approaches. However, it may be difficult to pursue this route in the short-term. For example, while ex-ante conditionality was clearly leading to problems in terms of donor co-ordination, it would have been very difficult for GRZ to prove their commitment to poverty reduction through their expenditure patterns. Some forms of conditionality – as with the insistence of a consultative process around the PRS – were welcomed by civil society. In reality, donors have only enforced conditionality in relation to macroeconomic criteria, as with the case of GRZ’s failure to reach HIPC completion point.

**Recommendations on donor harmonisation and conditionality**

In order to promote national ownership of the development effort, the accountability of the government to its own people must be ensured. As must the involvement of the community in the formulation of the next national development plan, the MTEF, the budget and the monitoring of the plan implementation, the budget and poverty reducing programmes. The following recommendations are made:

- Donors and developing countries should establish specific timetables and monitoring systems for progress towards achieving the national harmonisation agenda in consultation with other stakeholders. These targets will include targets on indicators such as aid predictability that are critical for PRSs.
- The country-level indicators for alignment and harmonisation should go beyond budget systems and procedures to sectoral priorities and governance of PRS. The results of periodic and multi-stakeholder monitoring and evaluations, on both the PRS process and on progress of alignment and harmonisation, should be the major source for improvement of these indicators and targets.
- Donor conditionality should be based on past results and policy performance, both macro and sectoral, or activity targets’ that are drawn transparently (with parliamentary sign-off and civil society involvement) from PRSs or equivalent.
- The right of developing countries to say NO to donor prescriptions that fall outside agreed mandates should be enhanced. This can be done by the broadening of participation in Performance Assessment Frameworks (PAFs) to include
parliaments and civil society. Incrementally, the basis for performance assessment should be PRS annual progress reports rather than donor-designed PAFs.46

- Indicators and targets should be included as these improve the rights and livelihoods of children in the PAFs and PRS monitoring systems.

42 The National Harmonisation and Alignment Plan that embodies actions aimed at strengthening coordination, deepening sectorial programmes and simplifying the processes and procedures of international aid. At the same time, the will of the donors to support this process is fundamental and begins with the decentralisation of decisions from their headquarters to the resident missions, with the objective of avoiding delays and increments in the costs of the transactions. (National Harmonisation and Alignment Plan, p.1)

43 The IMF April 2005 country report is suspect of prior agreement between Bolivian government authorities and IMF staff on what should be in the PRSP on the economy before the consultation, indicating that “the authorities assured the staff that they would not give in to pressures to include populist policies – such as greater state intervention in the economy – in the PRSP”, paragraph 27.

44 See also recent argument by Booth et al., 2005; and Gunning, 2005.

45 Including establishment of macro-economic trade-offs when negotiating PRGFs.

46 See Booth et al., 2005 for a critique of the relationship between APRs and PAFs.
The overarching conclusion from the discussion, and from the recommendations made in this report, is that influence by, and accountability to, the poor, as part of improving the aid effectiveness agenda for the future PRSs, could be achieved. This, however, is dependent on how PRSs are located within the domestic political and decision-making architecture, and how donors change their behaviour towards better alignment and harmonisation. Politics and political systems largely determine PRS success. There are deep-seated structural problems in the political system involving power inequalities between a range of actors and arenas. Over-turning these cannot be achieved easily or through purely technocratic interventions designed to improve bureaucratic procedures. One of the key tensions is between donors and national governments, because PRSs are ostensibly about improving bureaucratic procedures. One of the key tensions is between a range of actors and arenas. Over-turning these cannot be achieved easily or through purely technocratic interventions designed to improve bureaucratic procedures. One of the key tensions is between donors and national governments, because PRSs are ostensibly about moving away from excessive and debilitating conditionality. This suggests a qualitative improvement in donor-government power relationships and there is still a very long way to go before genuine ownership and accountability is in place. The recommendations drawn in this report are meant to contribute towards this journey.

For the donors, upward accountability must be turned downward; otherwise PRSs are meaningless. However, they are faced with a genuine conundrum of balancing technical demands with domestic political processes. In-country capacity and probity are often weak, so handing over complete control is unlikely to result in pro-poor change. However, there is scope to move towards more progressive forms of ex-post conditionality in most cases and finding creative ways of building government leadership and pro-poor institutional reforms away from direct links to funding prospects. Furthermore, it is a known fact that donors are usually poorly co-ordinated and are not equally committed to the PRS process. This makes it very difficult for recipient governments to negotiate and plan effectively.

Donors need to continue moving towards better political readings of each country context. Therefore PRSP processes have to move incrementally and have greater humility. Following a recent DFID (2003) report, donor support should follow the following guidelines:

- Start with placing the country into context.
- Connect economics with social, political and institutional change.
- Think more strategically about the change itself (value incremental improvement).
- Support the enabling environment.

Principles here include a commitment to ‘outcomes-based’ policy (i.e. addressing poverty), and to strengthening social accountability mechanisms. Here there is a need to be realistic about what is desirable and what is viable. Policy reforms should be prioritised on the basis of what is feasible politically and what is viable financially.

Internally the key issue is the need for a strong developmental state (Goetz 2003). This does not mean an autocratic state, but one with effective institutions. This involves not only a stable legal and regulatory environment, but also political parties that are committed to pro-poor change, for example the PT in Brazil. The evidence is that PRSs have more impact where poverty is already a salient political issue (Piron and Evans 2004, Webster and Engberg-Pedersen 2002). In terms of political structures, the relationship that has worked against effective and accountable PRSPs is the one between the executive and the legislature. Many countries have powerful and unaccountable executives, which politicise and personalise policy. Parliaments are usually sidelined; the donors have done little to help this situation by working through small groups of technocrats in key ministries. Additionally, many PRS processes have been badly timed with respect to domestic political processes, most obviously elections, so that governments are wary about committing to policies on which they can’t deliver. Finally there is an obsession, among donors, with financial accountability, which, as we have seen, is crucial to ensuring rational allocation of resources. However, fiscal accountability does not amount to political accountability even if it is an important element.

If policy making is to be responsive and accountable to the poor, other changes need to be made to the political system. This points to the problem of ‘enabling institutions’ (Booth and Lucas 2002, Folscher 2004). Many PRSs have put some new mechanisms for engaging with citizens but their impact will be weak unless they are institutionalised. Institutionalisation depends on the political capacity of the stakeholders involved in these processes as well as the political will of the powerful agencies that are likely to be most affected by these changes in the political playing field.

For the poor, and their civil society representatives, the key challenge is the ability to turn ‘voice’ into change. Whilst it is positive to point things out and be an ‘active citizen’, if things don’t change as a result then there is little point in participating. This points to the issue of participation as a means to an end. In fact, if we are interested in outcomes then participation must be a means to an end. Even though participation as an end in itself is important, it should not be the sole raison d’etre. Concrete actions towards this end, for example decentralisation, can be an effective albeit incremental way of mediating state and society relations. Political participation also needs to be thought through more clearly. As a rallying cry, participation sounds irrefutably a good thing, but it is...
a complex matter requiring careful questioning as to who is involved and how (Piron and Evans 2004). Tokenistic participatory consultations and other ‘invited’ processes are unlikely to change power relations. This points to the need for a more radical agenda of civil society strengthening.
(a) Poverty diagnostics for PRSs

- Poverty diagnostics within PRSs needs to engage with analyses of the causes of poverty, including perceptions poor people themselves form of these causes, and to relate monitoring and evaluation and policy recommendations to these causal processes.

- In terms of targeted research, the approach needs to be in-depth, qualitative, and theoretically informed. It needs to move beyond the local and show how the lived experience of poverty ties into the broader economic, social and economic processes that keep people poor and shape the opportunities for development.

(b) From consultation to influence

- Create legally supported spaces for civil society participation and capacity-building initiatives to develop stronger linkages between the PRS process as undertaken at the national level and institutions of the poor.

- Maintain the differentiated analysis of perspectives and political positions of the poor and vulnerable groups throughout the process.

- More varied forms of input from more varied actors: a greater role for the media and civil society in particular would help raise public awareness and increase the possibility of public accountability.

- Consultation processes to take account of language differences, and ensure that these do not constitute a barrier to genuine participation.

- Better integration of PRS processes with democratic processes, such as careful timing with regards to the electoral process; strengthen the role and capacity of parliamentary committees; parliamentary budgetary offices; better information flow between legislative and executive bodies; secure greater parliamentary oversight and powers of execution.

- Strengthen the role and capacity building of social sector ministries and departments, particularly those with responsibility for the most vulnerable groups.

- Maintain a patient and iterative approach: more responsive forms of governance take several years to develop, rather than a single PRS cycle. As Grindle (2002) notes, ‘good enough governance’ may have to do for now.

(b) Domestic accountability, including monitoring and evaluation of PRS

- Donors should focus on improving the Public Expenditure Management and Financial Accountability (PEMFA), with clearly ring-fenced direct MDG-focused resources. Information about the budget should be made public both at the donors and government side.

- Encourage the formation of community-based organisations and provide space and capacity of community based, civil society and research organisations to independently monitor the implementation of the plan documents and the budget.

- Donors should have clear policy frameworks for civil society participation in policy making and monitoring both in the North and South, and provide for this participation in the general budget support and in terms of the right to access information.

- Donors and governments should set transparent indicators and targets for the PRS process and access to important data, linked to the production of specific decision-making tools such as APRs and PAFs. This should be part of the country-level alignment and harmonisation agreements.

- M&E results should be fed into the political process and empower different stakeholders to debate and potentially change the direction and content of policy.

- Strengthening the capacity and participation of CSOs and the media, through donor-funded training programmes, should be a priority in order to ensure that the progress of PRSs can be measured against their aims. The majority of M&E activities are driven by states in order to be accountable to donors at the moment. This means that meaningful popular input and scrutiny of data is weak, which undermines downward accountability to citizens, especially the poorest.

- There is need for enhanced capacity within NGOs as well as state-based technical departments if there is to be a genuine dialogue over the PRS process. As it stands the Bretton Woods Institutions (BWIs) hold the technical and political strings, with other stakeholders too incapacitated or simply sidelined in discussions.
• Poverty Social Impact Analysis should be undertaken in a transparent and accountable manner at all stages and adequately linked to stages of the PRS cycle. It should also be linked to the negotiation of other important donor instruments such as PRGF/PRSC. Enough time should be provided for public debate, making PSIA public (Hanmer and Hendrie, 2002).49

(c) Donor alignment, harmonisation and conditionality

• Donors and developing countries should establish specific timetables and monitoring systems for progress towards achieving the national harmonisation agenda in consultation with other stakeholders.

• The country-level indicators for alignment and harmonisation should go beyond budget systems and procedures to sectoral priorities and governance of PRS. The results of periodic and multi-stakeholder monitoring and evaluations, on both the PRS process and on progress of alignment and harmonisation, should be the major source for improvement of these indicators and targets.

• Donor conditionality should be based on past results and policy performance, both macro and sectoral, or activity targets’ that are drawn from PRSs or equivalent.

• The right of developing countries to say NO to donor prescriptions that fall outside agreed mandates should be enhanced. This can be done by the broadening of participation in Performance Assessment Frameworks (PAFs) to include parliaments and civil society. Incrementally, the basis for performance assessment should be PRS annual progress reports rather than donor-designed PAFs.50

• Indicators and targets should be included as these improve the rights and livelihoods of children in the PAFs and PRS monitoring systems.


BOND, 2004 ‘Implementers or Actors? Reviewing civil society’s role in European Community development assistance in Kenya, Senegal, Bolivia and India’. BOND, London


http://www.brettonwoodsproject.org/


OECD (2005c) ‘Survey On Harmonisation and Alignment: Measuring Aid Harmonisation and Alignment in 14 Partner Countries’ Paris


Stewart, F. and M. Wang (2003) ‘Do PRSPs empower poor countries and disempower the World Bank, or is it the other way around?’, Queen Elizabeth House WP 108. www2.qeh.ox.ac.uk/research/wp.html

Tembo, F (2003a) ‘Multiple Identities and Representations: Experiences in the Study of People’s Life-worlds in Rural Malawi’, Singapore Journal of Tropical Geography, Special 50th Anniversary Issue on Fieldwork in the Tropics’ Power, Knowledge and Practice, 24 (2) 229-241


Tembo, F. (2005b) ‘100% debt cancellation, a historic moment but will it really have impact on the lives of children?’ World View e-newsletter (forthcoming).


Trocaire Ireland (2004) ‘The Other Side of the Coin: An Alternative Perspective on the Role of the International Monetary Fund in Low Income Countries’


UN (2005c) Investing in Development: A Practical Plan to achieve the Millennium Development Goals, UN Millennium Project: A Report to the UN Secretary General


World Vision Canada (2004) PRSPs and Donor Strategies: Do They Add Up To Effective Aid? Analysis of the Role of PRSPs in Four CIDA Core Countries’ World Vision Canada

Within the broad aims of the research the country case studies are important for:
• Showing how layers of institutions ‘filter’ macro-policy prescriptions;
• Demonstrating the role of contextual features within countries at similar stages in the PRSP cycle;
• Strengthening World Vision’s country offices’ political capacity;
• Exploring the extent to which the country case studies reveal alternative consultative processes, which are more likely to ensure higher levels of participation and accountability towards the poor.

Research goals
These are the core of the research and we want to see (a) whether you think they are relevant, and (b) how you propose to address them.

Data collection and use
To what extent has data collection produced a multi-dimensional poverty analysis and how has this shaped PRSP formulation?
• Who was responsible for data collection?
• Which stakeholders contributed to supplying data, information or commentary?
• What sorts of data were collected and how was it synthesised?
• How finely disaggregated was the data?
• Who was this information made available to and in what forms?

What forms of data are collected for monitoring of existing PRSPs and to what extent is this used to negotiate future policy directions?
• Who has been responsible for monitoring and evaluation of PRSPs?
• What procedures and criteria have they adopted?
• How has this information been used in reflecting on existing PRSPs?
• Who is this information made available to and in what forms?
• To what extent does PRSP monitoring and evaluation complement or undermine other forms of central government evaluation?

Participation and the political context
How would you characterise the dominant form of policy-making in the country
• To what extent is policy making heavily centralised in the executive?
• What role have political parties, legislatures and civil society organisations played?
• How effectively is the political system decentralised?
• How have relations between state and donors been handled in the past?

Participation in the political process
To what extent has the PRSP process placed the voices and interests of the poor closer to the centres of decision-making power?
• Who was formally involved in formulating the PRSP?
• What criteria were used to determine potential inclusion?
• In what ways were different stakeholders involved?
• Did any organisations formally decide not to participate?
• Were any limitations imposed upon the scope of and agenda for participation?
• Have any constraints on participation arisen or been identified by stakeholders?

To what extent did participation change policy?
• Was there any evidence of one-off policy changes or the promotion of certain sensitive issues onto the PRSP agenda?
• Have any agencies (donor, state or non-governmental) adopted rights-based approaches as a result of the PRSP process?
• Have these engagements promoted pro-poor, gender- and age-awareness among policy makers?
• Is there any evidence of participation being practised beyond the PRSP process as a result of the PRSP?
• How institutionalised are participatory policy processes?

How does the PRSP process relate to other macro-policy processes?
• To what extent has the PRSP consolidated pro-poor policy making?
• What has been the timing of PRSP consultations in relation to key political processes, transitions, and events?

• How well integrated is it with existing budgetary cycles and structures?

• Is there any evidence of social welfare concerns outweighing productive ones?

In what ways and with what effects is accountability within the PRSP process attempted?

• To what extent does the process of drawing up the PRSP explicitly reflect the needs and priorities of the poor?

• To what extent have realistic mechanisms been established so that people can hold government and service providers accountable for the delivery of policies and goods?

• In what ways are donors held accountable by national governments, CSOs and citizens?

• In what ways are citizens involved in monitoring how PRSP strategies are being implemented, and whether anti-poverty commitments are being fulfilled?

• To what extent does the PRSP process strengthen or undermine existing political channels of ‘voice’ and accountability?

How do the poor, particularly women and children, actually organise and engage politically?

• Have formal participatory mechanisms opened up spaces for pro-poor representation?

• In what other ways do women and children mobilise and organise?

• Have these two avenues of participation worked in harmony or been antagonistic?

Timetable and activities

<table>
<thead>
<tr>
<th>Timing</th>
<th>Activity</th>
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<tbody>
<tr>
<td>26th January</td>
<td>Respond to the concept note and terms of reference via a reasoned proposal setting out whether the research goals are relevant and how they might be realised in the local context in which you work.</td>
</tr>
<tr>
<td>4th February</td>
<td>On the basis of this proposal we will discuss and finalise the research plan.</td>
</tr>
<tr>
<td>February</td>
<td>Undertake research, with interim feedback on a fortnightly basis, although informal email/phone contact with the research team is available throughout the research period.</td>
</tr>
<tr>
<td>4th March</td>
<td>Produce a draft report structured around the key headings.</td>
</tr>
<tr>
<td>18th March</td>
<td>Produce a final report.</td>
</tr>
<tr>
<td>8th April</td>
<td>Comment on final integrated research report.</td>
</tr>
<tr>
<td>On-going</td>
<td>Contribute to any subsequent academic publications.</td>
</tr>
</tbody>
</table>

## Zambia’s PRSP process

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
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<tbody>
<tr>
<td>Nov 1997</td>
<td>Ministry of Community Development and Social Services (MCDS) appointed to spearhead the preparation of a National Poverty Reduction Action Plan (NPRAP) after the President’s commitment to reduce poverty levels to 50% by 2004.</td>
</tr>
<tr>
<td>Nov 1998</td>
<td>The draft NPRAP was presented at a national Consensus Building Workshop</td>
</tr>
<tr>
<td>Jan 2000</td>
<td>Revised NPRAP finalized awaiting Cabinet approval</td>
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<tr>
<td>June 2000</td>
<td>PRSP meeting officially launched at a stakeholders meeting</td>
</tr>
<tr>
<td>July 2000</td>
<td>Government of Zambia (GRZ) invites civil society to participate in the preparation of the PRSP through public Aid Memoir. The Civil Society for Poverty Reduction (CSPR) formed to coordinate civil society’s inputs.</td>
</tr>
<tr>
<td>Dec 2000</td>
<td>An Interim PRSP (IPRSP) was approved by the IMF and the World Bank to enable Zambia to reach the HIPC decision point. NPRAP not used as basis for IPRSP, causing concern that PRSP would be equally government-centric.</td>
</tr>
<tr>
<td>May 2001</td>
<td>Working Groups undertake provincial consultation. Full participation of civil society organisations improves confidence that process would participatory.</td>
</tr>
<tr>
<td>Sept 2001</td>
<td>Draft PRSP report</td>
</tr>
<tr>
<td>Oct 2001</td>
<td>National Summit to review draft PRSP held</td>
</tr>
<tr>
<td>Jan 2002</td>
<td>The Strategic and Operational Planning Unit created in the Planning and Economic Management Department of the Ministry of Finance and National Planning created to focus on the planning, implementing and monitoring the PRSP.</td>
</tr>
<tr>
<td>May 2002</td>
<td>The final PRSP presented to and approved by the IMF and World Bank boards. Final draft incorporated three quarters of civil society concerns raised after 1st draft.</td>
</tr>
</tbody>
</table>

Source: Folscher 2004
### Bolivia’s PRSP Process

#### Stage

<table>
<thead>
<tr>
<th>First National Dialogue</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Country Assistance Strategy/Comprehensive Development Framework strengthens government-donor relations; civil society feels excluded.</td>
</tr>
<tr>
<td></td>
<td>• Participation for the PRSP is negotiated.</td>
</tr>
<tr>
<td></td>
<td>• Government alters the strategy for participatory process</td>
</tr>
<tr>
<td></td>
<td>◦ from sectoral to regional and local focus;</td>
</tr>
<tr>
<td></td>
<td>◦ national civil society (CS) organizations are suspicious; and</td>
</tr>
<tr>
<td></td>
<td>◦ a number of CS processes precede government dialogue.</td>
</tr>
</tbody>
</table>

#### Second national dialogue begins in July 2000:

<table>
<thead>
<tr>
<th>Social agenda (municipal and departmental tables)</th>
<th>Allocation of HIPC according to poverty indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic agenda (sectoral and productive chains)</td>
<td>Establishment of mechanisms to oversee funds at all levels</td>
</tr>
<tr>
<td>Political agenda (seminars in major cities)</td>
<td>Institutionalization of dialogue (every three years)</td>
</tr>
<tr>
<td>National table: results of individual agendas discussed and agreed on</td>
<td>Plan to translate dialogue into PRSP</td>
</tr>
</tbody>
</table>

World Vision is a Christian charity and one of the world’s leading relief and development agencies, currently working with 100 million people in nearly 100 countries in their struggle against poverty, hunger and injustice, irrespective of their religious beliefs.

World Vision programmes include: long-term community development programmes focussing on needs identified by the communities, such as clean water, education, health care, agricultural development and public hygiene; short-term emergency relief, such as providing food, shelter and medical care to victims of natural or man-made disasters (most of which are designed to evolve smoothly into longer-term development activities); and other projects on HIV/AIDS, peace-building, civil society development and children’s rights.

World Vision receives the financial support of governments, as well as from charitable trusts, corporate supporters and individual members of the public, many of whom sponsor children in the communities we work with.

World Vision is a member of many inter-agency groups and global campaigns, including the Global Call to Action Against Poverty (GCAP), Global Campaign for Education (GCE), Trade Justice Movement (TJM), Global Movement for Children (GMC), Stop AIDS Campaign (SAC), and the Jubilee Debt Campaign (JDC).