

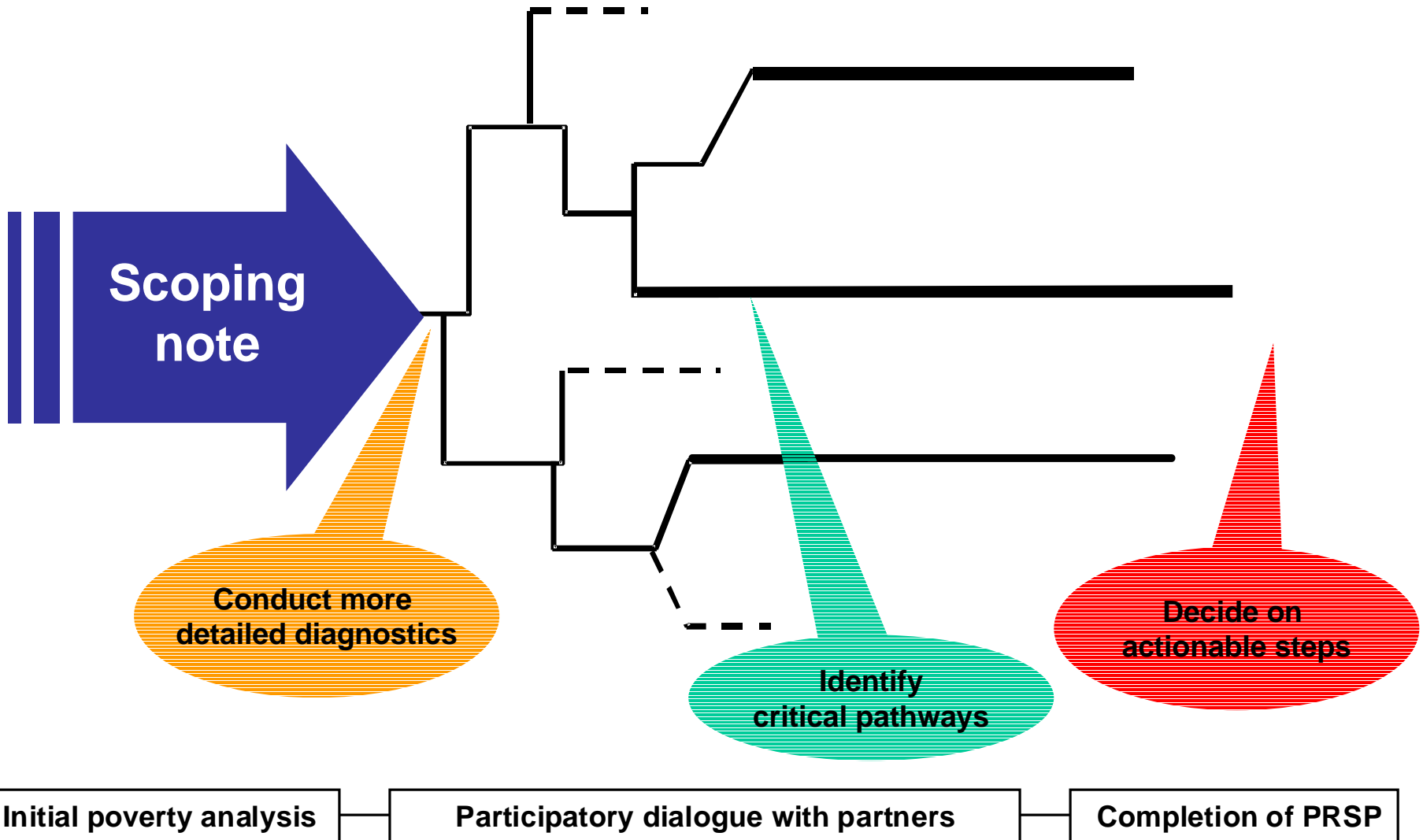
SESSION 1

Addressing institutional issues in the Poverty Reduction Strategy Paper process

**Scoping notes, detailed diagnostics,
and participatory processes**

**Public Sector Reform and Capacity Building Unit
Africa Region, World Bank**

Thinking through PRS process

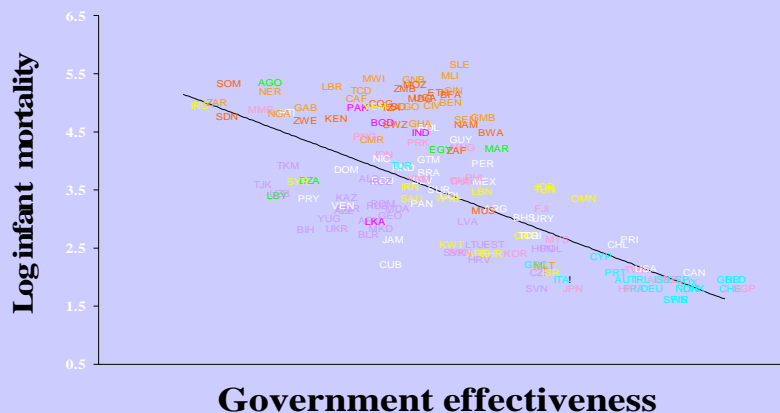


Scoping note: institutional underpinnings, options, prospects

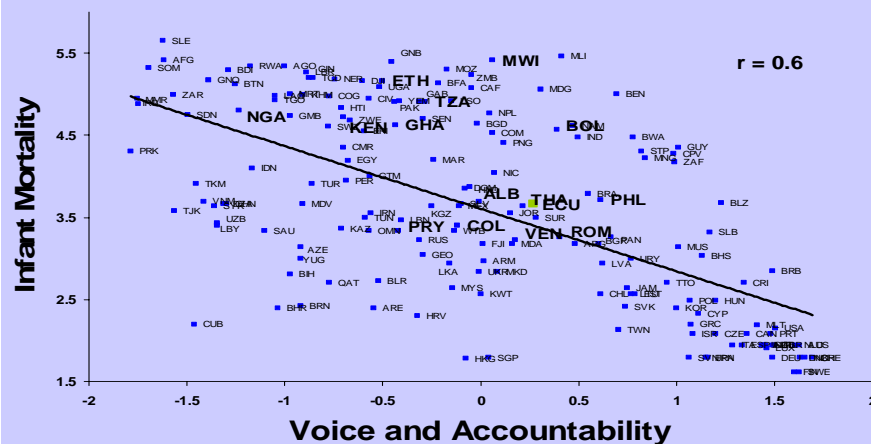
- **Which institutions matter most?**
 - Evidence on governance-poverty nexus
 - Elements for pro-poor governance
- **Where is country X today?**
 - Its institutional capability to reduce poverty
- **How should it proceed?**
 - Prospective reform pathways

Cross-country data on participatory governance and public management

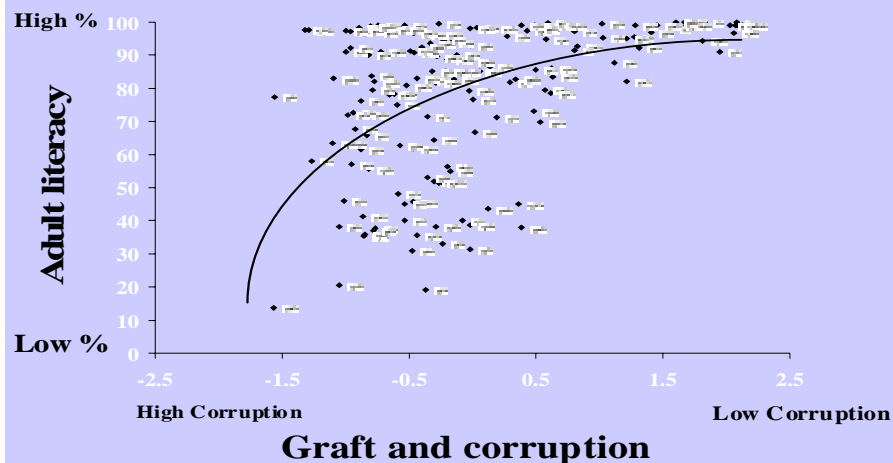
Government effectiveness lowers infant mortality



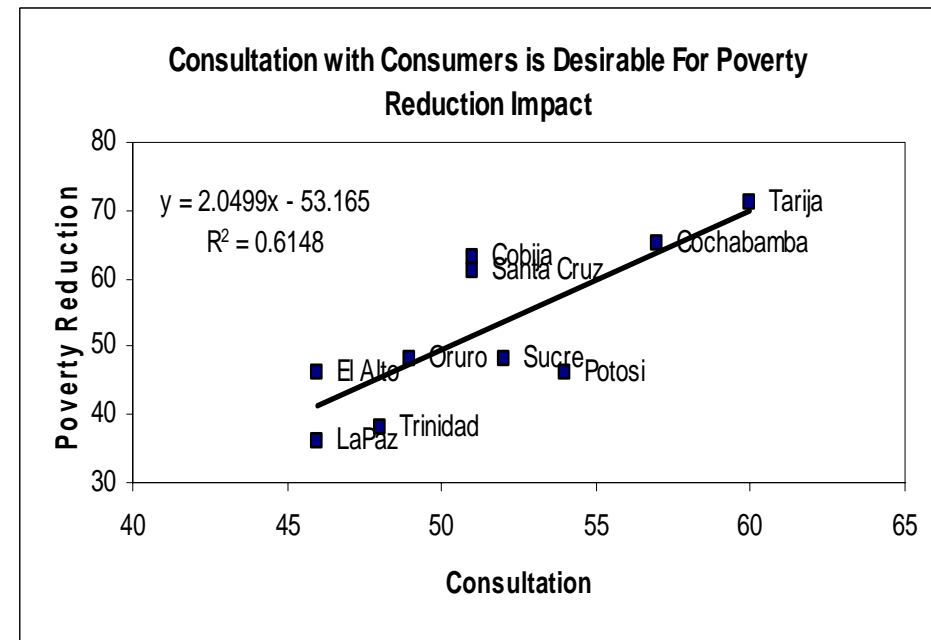
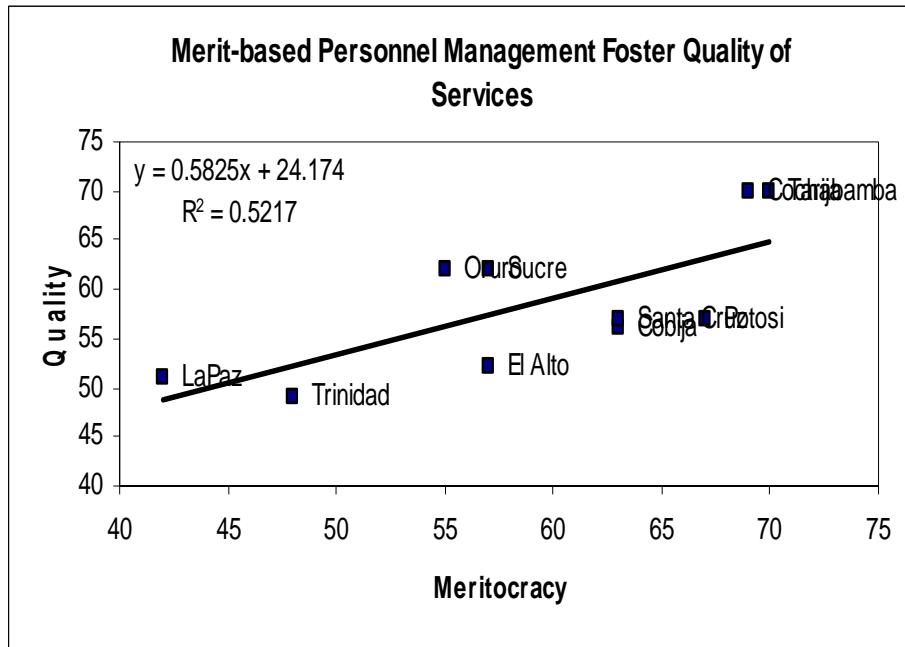
Infant mortality falls with improved voice



Controlling graft helps literacy



In-country data: “right” complement works in local government as well (2)



Institutions that matter most

	Core Public Management	Participatory Governance
1. Empower		Organs of representation and participation
2. Expanding opportunities		
Access to efficient service provision		
Increasing access to markets		
3. Providing security		
From economic shocks		
From crime, corruption, violence		


Institutions that empower the poor

- **Formal organs of participation**
 - **Fair and transparent electoral processes**
 - **Power-sharing arrangements other than winner take-all**
- **Oversight by political principals**
 - **Parliamentary oversight**
- **Informal and indigenous organs**
 - **Civil society and associational life**

	Core Public Management	Participatory Governance
1. Empower		Organs of representation and participation
2. Expanding opportunities Access to efficient service provision	Adequate, predictable flow of resources	Subsidiarity and flexibility
Increasing access to markets	Capable and motivated staff	
3. Providing security From economic shocks		
From crime, corruption, violence		

Institutions that expand opportunity: (a) ensuring access to basic services


- **Adequate and predictable resource flows**
 - Pro-poor allocations
 - Transparent budget processes
- **Subsidiarity, flexibility accountability**
 - Demarcation of responsibilities
 - Participation in design, delivery, monitoring
 - Information to generate demand-side pressures
- **Capable and motivated staff**
 - Merit-based recruitment and pay
 - Within a hard budget constraint

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Increasing access to markets		
3. Providing security From economic shocks		
From crime, corruption, violence		

Institutions that expand opportunity:

(b) increase access to markets

- **Legal and regulatory reform**
 - **Enforcement of anti-exclusion laws**
 - **Incentives of deepening land and credit markets**
 - **Recognition of property rights over physical assets**
- **Information**
 - **On land and credit markets**

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1. Empower		Organs of representation and participation
2. Expanding opportunities Access to efficient service provision	Adequate, predictable flow of resources Capable and motivated staff	Subsidiarity and flexibility
Increasing access to markets	 Regulatory reform	
3. Providing security From economic shocks	Sound economic management	Safeguards against vulnerability
From crime, corruption, violence		

Institutions that provide security from (a) economic shock

- **Sound macro management**
 - **Hard budget constraint for aggregate fiscal discipline**
 - **Efficient administration of tax and customs**
 - **Independent central bank**
- **Safeguards against vulnerability**
 - **Access to social insurance through hub-and-spoke arrangements**

	Core Public Management	Participatory Governance
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Increasing access to markets	Regulatory reform	
3. Providing security From economic shocks	Sound economic management	Safeguards against vulnerability
From crime, corruption, violence	Recourse, redress, enforcement	

Institutions that provide security from (b) crime, corruption, violence

- **Enforcement mechanisms**
 - Police and courts that guarantee equal protection under the law
 - Independent, adequately funded courts
- **Alternative recourse and redress**
 - Anonymous mechanism of registering complaints
 - Alternative dispute resolution

Country X's existing capability, prospects, options

Core public management

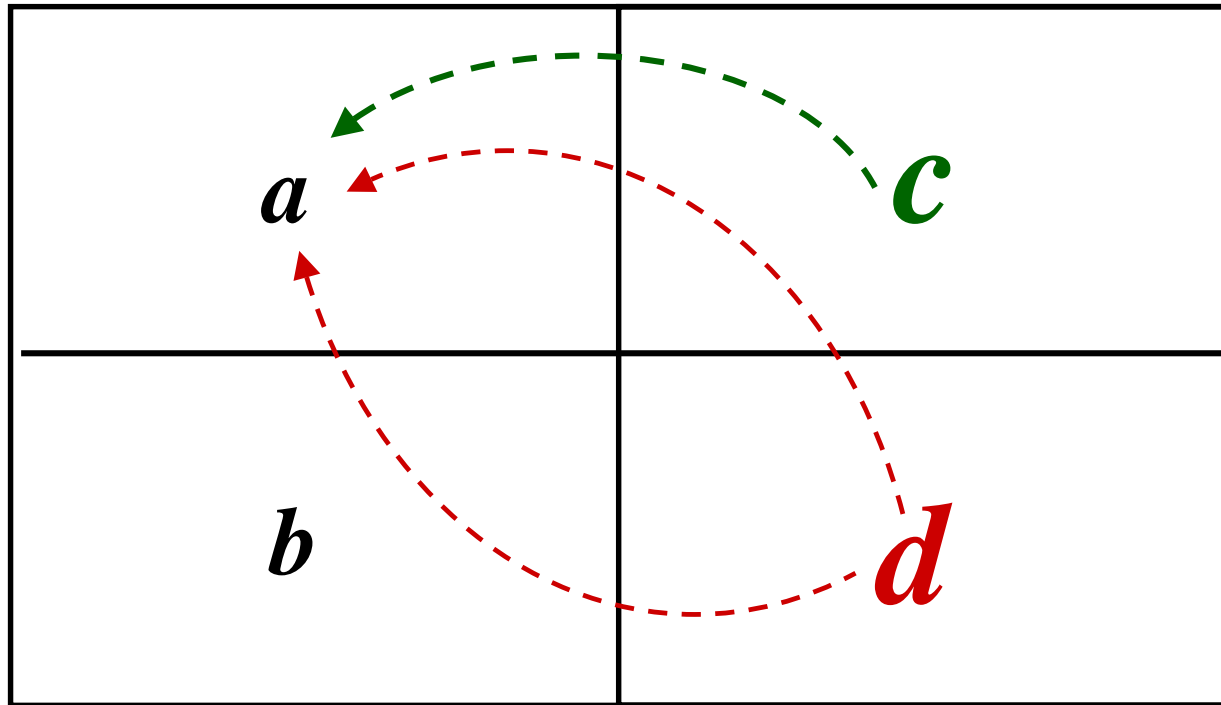
High

Low

Participatory
Governance

High

Low



Diagnosing deeper, taking action

