

**Poverty Reduction Strategies Trust Fund—Progress Report
March – August 2003**

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1. EXECUTIVE SUMMARY

1. This is the second progress report on the Poverty Reduction Strategies Trust Fund (PRSTF) and reviews the period March – end August 2003.¹ The report reviews the financial status of the trust fund, activities supported to date, donor coordination, financing and sustainability issues, and trust fund administration.

2. Momentum of the PRSTF has increased steadily, and is currently at a satisfactory level. Twenty-three countries now have grants at various stages of execution. ten applications have been approved since March (see Annex Table 2). The volume of commitments up through August 2003 has increased to US\$10.1 million, US\$4.4 million of which has been approved in the last six months.

3. The regional picture has become more representative of the overall spread of PRSP countries. While there is interest in the PRSTF in both East Asia and the Pacific and South Asia, the proposals in those regions have tended to develop at a slower pace.

4. Interest in support from the trust fund remains substantial among low-income countries that have not yet applied as well as those teams, which are close to being eligible to make a second application.

5. There is evidence of improvement in the standard of applications, as recent proposals build on the examples of earlier good practice, and as countries advance in their PRS process. Countries are moving to better integrate the feedback and advice of Joint Staff Assessments (JSAs) and other stakeholders into the proposals. They are addressing such issues as improving governance and the inclusion of parliament in the PRSP process. Similarly, there is an increased focus in applications on improving public expenditure management.

6. The impact of the PRSTF is already evident on the ground, but also revealing of practical issues. For example, there is some tension between the objective of the fund to build local capacity, and enabling development of the PRSP. Grant effectiveness and implementation is locally executed, and has been slow in a number of cases. This only reiterates the importance of developing national capacity and national ownership for the duration of the grant.

7. The PRSTF continues to facilitate donor harmonization at the country level, and enables donors to align support with PRSP and other donor priorities. In most cases, the proposals are framed against the background of collaboration between UN agencies and the World Bank, as well as broader donor coordination.

8. Key issues for consideration include:

- Projected commitments indicate the need for replenishments by the end of calendar year 2004; and
- Possible rules for rationing across regions and countries.

¹ The first progress report, covering the period November 2001-February 2003, is available at: [http://wbln0023/rmc/rmc.nsf/DOCs/PRSTF+Documents/\\$File/PRSTFProgressReportMarch2003.pdf](http://wbln0023/rmc/rmc.nsf/DOCs/PRSTF+Documents/$File/PRSTFProgressReportMarch2003.pdf)

2. FINANCIAL SUMMARY (MARCH 2003-AUGUST 2003)

9. The PRSTF was launched with pledges from the Netherlands and Japan. As of August 2003, both Donors have contributed the entire pledged amount. Switzerland has recently announced its intention to contribute.

10. Cumulative contributions to date equal US\$19.579 million², the amount pledged for the four-year period. The PRSTF has generated US\$0.704 million of investment income through to August 31, 2003. Administrative fees amounting to \$0.813 million have to date been processed against the fund in accordance with the provisions of the agreement. Table 1 provides a summary of the PRSTF's financial status.

11. At present, 70 of the 81 IDA eligible countries are either developing or implementing a PRSP, and are therefore eligible to apply for support from the PRSTF. To date, twenty-three grants have been approved totaling commitments of US\$10.1 million.

12. Demand for the PRSTF has accelerated. In the last six months, ten proposals have been approved for funding under the PRSTF, comprising total commitments of US\$4.4 million (compared to the thirteen proposals in the first year of operation).

13. Cumulative disbursements to date amount to \$1.2 million, which represents a doubling since February 2003. This upward trend is set to continue although the decentralized local execution of the trust fund means that it can take time for implementing agencies to undertake procurement. In addition, slow submission of withdrawal applications results in countries not drawing down on their accounts as quickly as possible.

Table 1: Financial summary for the PRSTF, 31 August 2003

	March - August 2003 (USD millions)	Amount to date (USD millions)	Percent of total fund
Total pledged		20.00	100
Funds received		19.58	100.0
<i>Japan</i>	-	10.00	50.0
<i>Netherlands</i>	3.84	9.58	50.0
Investment income	0.29	0.70	3.5
Commitments	4.44	10.09	50.5
<i>Africa</i>	1.79	4.20	21.0
<i>Europe and Central Asia</i>	1.40	3.21	16.0
<i>East Asia and Pacific</i>	0.26	0.76	3.8
<i>Latin America and Caribbean</i>	0.49	0.49	2.5
<i>Middle East and North Africa</i>	0.50	0.98	4.9
<i>South Asia</i>	0.00	0.45	2.3
Disbursements	0.82	1.20	6.0
Administrative fees	0.17	0.81	4.1
Available funds (receipts less commitments)		9.38	46.9

² Exchange rate fluctuations account for the total funds received.

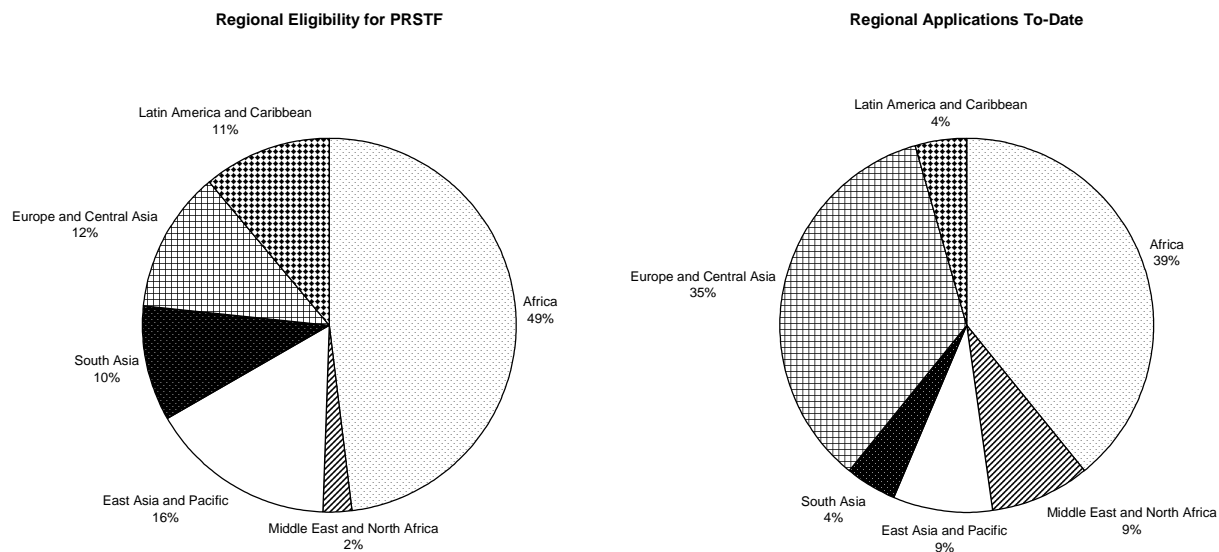
3. REVIEW OF RECENTLY APPROVED APPLICATIONS

ACTIVITIES FINANCED

14. Ten proposals have been financed since March 2003: four from Africa (Eritrea, Lesotho, Malawi, and Tanzania), three from the Europe and Central Asia region (Bosnia-Herzegovina, Tajikistan and a combined application from the former Republics of Yugoslavia: Serbia and Montenegro), one from East Asia (Mongolia), one from the Middle East and North Africa region (Yemen), and one from Latin America and Caribbean (Honduras).

15. The twenty-three countries with successful applications to date constitute a broad cross-section of PRSP countries, and account for about 28 percent of eligible countries. While not yet wholly regionally representative, the regional distribution of allocations has improved over the previous six months. A relatively higher share of total funding is still directed to countries in Europe and Central Asia (Figure 1).

Figure 1: Regional Allocation of the PRSTF



16. The activities funded continue to vary considerably, reflecting the diversity of country conditions and the different stages of the PRSP process at the national level. Over the last six months, six applications have been from countries with a PRSP (to support implementation and address gaps in the strategy), two from countries with an I-PRSP, and two from countries just entering the PRSP process. For example, in Honduras, which finalized its full PRSP in October 2001, support is focused on strengthening the capacity of government and its civil society partners to implement, monitor and evaluate the PRS. In Lesotho, the recently approved funds will be used to ensure that the full PRSP is completed by November 2003 after considerable delays due to lack of technical, management and financial capacity. Eritrea is at an early stage, and the grant will be used to ensure a participatory process through stakeholder consultations as well as the translation and dissemination of the final PRSP.

Table 2: Breakdown by region and PRSP status for proposals approved, March-August 2003

	Number of PRSP Countries	Number of Applications March-August 2003	Number of Applications to date / PRSP countries
Africa	39	4	9 / 39
Middle East and North Africa	2	1	2 / 2
East Asia and Pacific	13	1	2 / 13
South Asia	8	0	1 / 8
Europe and Central Asia	10	3	8 / 10
Latin America and Caribbean	9	1	1 / 9
PRSP	30	6	11 / 30
I-PRSP	20	2	9 / 20
pre-PRSP	31	2	3 / 31
Total	81	10	23 / 81

17. The content of recent applications show a significant shift toward both supporting participation efforts and statistical surveys. Statistical survey work, poverty diagnostics and analysis comprise over a quarter of all grants. More generally, the most frequently supported areas relate to capacity building for the national PRS team (17 percent), and strengthening monitoring and evaluation systems (15 percent). Consistent with feedback being provided by Bank staff and donor agencies on PRSPs, proposals continue to focus on developing priority sectoral strategies, medium-term budget expenditure and Poverty and Social Impact Analysis (approximately 11 percent of total grants). Box 2 provides examples.

18. The PRSTF continues to fund activities that other sources of support may not allow. For example, various grants request support for website development, translation into local languages to enable broader participation in the PRSP, publication costs, interpretation, the provision of essential capital equipment, office costs and auditing fees.

19. Recent proposals include such innovative ideas as the *NGO Vision Paper on Poverty Reduction* supported through Mongolia's grant. The grant facilitates work by a group of twelve NGOs to contribute a paper and recommendations on the EGSPRS (PRSP), thereby promoting broader ownership of the strategy. This confirms the flexibility of the PRSTF to finance components which would otherwise not likely find support. Honduras also adopted an innovative process (Box 1).

20. A range of factors explain delays in disbursement. In Pakistan and Vietnam, approvals and clearance by federal and provincial governments have slowed progress. In some cases, delays can be attributed to the structure of expenditures. In Kyrgyz Republic relatively slow disbursement is partly the result of heavy reliance on local consultants, and disbursement is expected to increase as the hiring of international consultants commences. In some cases, staffing and other changes have slowed pace of implementation. In Uganda, progress has been impeded due to changes in staffing, specifically for the position of Principal Accountant in the Ministry of Local Government.

Table 3: Breakdown by activity for the proposals approved, March-August 2003

Activity	Allocation (USD)	Percentage of Total Grants
Participatory process	928,312	20.9
Statistical survey work	836,955	18.9
Capacity building for PRSP lead institution	754,001	17.0
Developing monitoring and evaluation system	664,856	15.0
Developing priority sector strategies / MTEF / PSIA	472,920	10.7
Poverty diagnostics and analysis	290,800	6.6
Residual	183,280	4.1
PRSP future development	125,970	2.8
Improve PEM systems	75,000	1.7
Develop regional action plans	56,000	1.3
Governance and Parliamentary development	50,540	1.1
Total grants (March-August 2003)	4,438,634	100.0

Box 1: Honduras: Involvement of Civil Society

In July 2002, an advertisement was placed on the Bank's web, at the UNDP office and in the two main newspapers in Honduras *La Prensa* and *La Tribuna*. In August there was an initial screening by the PRSTF Steering Committee. A technical committee, appointed by the Steering Committee, selected ten of the twenty applications received. In September the final selection of proposals was discussed and endorsed by all stakeholders at the UNDP headquarters in Tegucigalpa.

Honduras' application consists of ten varied components ranging from US\$25,000 – US\$80,000 to strengthen the capacity of the Government and NGOs. The components are in effect mini-proposals. Each separate component has a different executing agency or NGO, all to be implemented by the Ministry of Finance, ranging from building capacity of line ministries (Secretary of the Presidency) to poverty diagnostics in Southern Honduras (FOSDEH, an NGO).

Each of the proposed activities will provide assistance to implement, monitor, and improve the PRS process in Honduras. Despite the prolonged nature of the process due to the number of institutions with differing levels of capacity, Honduras PRSTF is a good practice example of an inclusive process.

21. The recent report on progress in implementation of the PRSP approach³ outlines key issues for countries developing their PRSPs, including government ownership, the participatory process, poverty and social impact analysis (PSIA), priority public actions (related to growth and public expenditures), indicators and monitoring, and donor alignment. It is encouraging to note the correlation of the challenges with the areas being supported by PRSTF funding, as well as with country specific feedback in JSAs.⁴

³ <http://www.worldbank.org/poverty/strategies/index.htm>

⁴ Note that Parliaments are not legal entities and therefore cannot be direct recipients of the PRSTF. However since the legal agreement provides the framework for parliamentary branches to apply for PRSTF resources, grant proposals may be submitted by the respective government on behalf of the parliament, to be managed by an executive arm of the Government.

Box 2: PRSP Priorities and PRSTF Funding, March-August 2003: Selected Examples

Activities to broaden **country ownership** are evident in several grants. In Tajikistan, PRSTF funds are being used to improve the capacity of deputies in the lower chamber of parliament, core parliamentary staff, and chief consultants to the parliamentary committees. The objective is support the engagement of parliament in the PRS and during its implementation. Support is also being provided in several countries for costing of programs and policies to be included in the PRSP with the engagement of ministries of finance, including Lesotho, Mongolia, and Honduras. This bolsters the very important link to the budget, and reduces concerns about sustainability.

The need to improve **public expenditure management**, and linkages between PRSPs and MTEF is increasingly being addressed in grant proposals. For example, in Yemen, consultants will be hired to prepare and coordinate sectoral budget analysis, and in Honduras, the grant supports the implementation of an information system in the Ministry of Finance to measure the impact of public expenditure on PRS goals.

Substantial support is being provided to **participation** efforts. All ten proposals approved since March include participation components. A wide range of stakeholders is involved through activities such as roundtables, seminars, and workshops, most often civil society organizations, but also the private sector. In Mongolia, one component of the grant focuses on deepening participation through open forum debates across the country to raise public awareness and understanding of issues.

Over the past six months, use of the PRSTF to support **distributional analysis of reforms** to inform PRSP design has become more common. In addition to distributional analyses of public expenditures, planned PSIA often refers to structural reforms, indirect taxation, sector strategies (e.g., water, energy, and agriculture) and service delivery. For example, in Bosnia-Herzegovina, the proposal includes funding for assessments of the impact of development interventions of key legislation and sectoral budget allocations. In Serbia, the grant will support review of the current reform agenda to identify social and poverty impact of new and amended legislation and areas of reform.

Table 4: Alignment of approved proposal activities with JSAs by country, August 2003

Country	Capacity building for PRSP lead institution	Statistical survey work	Poverty diagnostics and analysis	Improve PEM systems	Developing priority sector strategies / MTEF/PSIA	Develop regional action plans	Participatory process	Developing monitoring and evaluation system	PRSP future development
Bosnia-Herzegovina	37.3		0.8				14.6	28.8	9.5
Eritrea	47.1				12.0		21.4	11.5	3.6
Honduras	8.1		14.2	12.2	8.1	8.1	25.6	22.4	
Lesotho	34.1		11.4				16.2	38.3	
Malawi		81.5	5.7				6.7		
Mongolia					14.7	6.2	57.5	12.9	
Tajikistan					32.5		24.5	28.0	
Tanzania		49.4	42.3				7.7		
Yemen	25.8	56.5		3.0	8.2		5.6		
Yugoslavia					32.7		42.5	3.8	12.3

■ JSA Priority Areas

** Eritrea and Bosnia-Herzegovina do not have a JSA yet

Note. Figures represent percentage share of allocation going to support work in that area

EXPENDITURES SUPPORTED

22. The PRSTF continues to fund a range of inputs. Consultant fees remain a significant cost: ranging from 63 percent (Eritrea) to 13 percent (Mongolia) of the total grant, the average allocation over 45 percent of the total grant costs.

23. A breakdown of the allocation of funds between international and national consultants highlights the contribution of the PRSTF to utilizing local capacity: approximately 90 percent of consultant days, (or 30 percent of total grants) are for national consultants.

24. International expertise is being utilized in key areas, such as monitoring and evaluation, poverty analysis and diagnostics, developing priority sectoral strategies, poverty and social impact analysis and Medium-Term Expenditure Frameworks. It will be important to ensure sustainable knowledge transfers in these cases.

Table 5: Consultants days by activity

Activity	Number of Consultant Days	
	International	Local
Developing monitoring and evaluation system	344	4,560
Capacity building for PRSP lead institution	535	3,980
Developing priority sector strategies / MTEF / PSIA	220	2,716
Participatory process	98	2,488
Poverty diagnostics and analysis	207	1,962
Statistical survey work	22	1,451
Improve PEM systems	0	880
PRSP future development/visioning	0	668
Develop regional action plans/increasing capacity of regional/local gov	0	198
Governance and Parliamentary development	15	0
Total (number of days)	2,412	19,337

LOCAL ADMINISTRATIVE ARRANGEMENTS

25. Of the ten grants approved during the period March-August 2003, several will be implemented by government agencies, one by a research policy institute, and one by the UN. Among those proposals to be implemented by government agencies, a range of ministries is involved, from the PRSP coordination units, statistical offices, ministries of social affairs, ministries of development and planning, or ministries of finance.

26. Among the more innovative recent examples are: Tanzania, where the grant will be executed by REPOA, a policy research institute which conducts studies for both the government and donors; and Lesotho, where a component relating to private sector development will be managed by the Chamber of Commerce, which is officially recognized. In Serbia, a PIU will act as an agent for procedures such as procurement, disbursement and financial management, while the Ministry of Social Affairs executes the grant. In Montenegro, due to serious local capacity constraints, the government will hire the UNDP Liaison Office to execute the grants. Likewise in Tajikistan, the grant will be executed by the PIU of the Bank's Institutional Building Technical Assistance project. Nonetheless, limited capacity is an issue which requires close Bank staff support and supervision, and which tends to slow down procurement and disbursement.

4. DONOR ALIGNMENT AND HARMONIZATION

DONOR CONSULTATION

27. The PRSP approach aims to promote donor and country partnerships. The In-Country Steering Committee for the PRSTF is in most cases proving an effective mechanism to put these aspirations into practice.

28. In the initial stages of the PRSTF, only the Bank, contributing donors and UN were involved in the in-country steering committee process and management of funds. More recent proposals reflect broader donor engagement with a range of bilateral and regional agencies, and research institutes. For example,

- In Bosnia-Herzegovina, discussions were held with DFID, and SIDA, as well as contributing donors to the PRSTF. The TTL noted “It was a good opportunity to bring them (the donors) up to speed on the whole (PRS) process - including introducing them to the PRSP Sourcebook”.
- In Malawi, the proposal was discussed as an agenda item at a regular donor meeting to coordinate the PRSP monitoring and evaluation program which is convened by the UNDP office (including representatives from Canada, EU, Germany, Japan, Norway, UK). The grant proposal was coordinated closely with NORAD in order to maximize synergies with a complementary USD 3 million technical assistance project in statistical capacity building, macroeconomic modeling and policy analysis.
- In Mongolia, a Prime Ministerial decree established a steering committee for projects to be financed, and to monitor the implementation of the grant. Sixteen proposals were received and the ‘short-list’ of proposals was sent to donors active in the region for review.
- In Tanzania, REPOA presented the proposal to the Research Analysis Working Group, a multi-stakeholder committee including donors, the research community, NGOs and international organization, which meets regularly to coordinate and commission poverty related analysis to underpin the PRS process.
- In Tajikistan, the steering committee included representatives from Asian Development Bank, US, EU/TACIS, Switzerland and DfID, in addition to contributing donors.

COLLABORATION WITH THE UN

29. The survey of task managers further showed that Bank-UN relations have been good and that the operation of the trust fund has been fairly smooth.

- In Kyrgyz, the government and the Bank have worked closely with the UN agencies in particular UNDP, conducting seminars and workshops. In addition, a Joint Working Group was formed and is effective for cooperation on the CDF/NPRS – MDG issues.
- In Malawi, the TTL commented, “Bank-UN collaboration/relations on this project has been excellent”. The UN Malawi office is deeply involved in PRSP monitoring plan and supports the PRSTF funded project.
- In Uganda, UNCDF is undertaking similar activities to improve the local authorities planning and budgeting processes in 6 districts, while the PRSTF will finance activities in 20 districts.
- In Yemen, the TTL noted, “collaboration with the UN and UNDP in particular is very good”. UNDP has approved an additional USD1.3 million for the PRSP implementation and follow-up.

30. However as noted in the previous progress report, in countries where the collaboration between the World Bank and the UN has not historically been smooth, the PRSTF is unlikely to solve underlying problems.

5. FINANCING AND REPLENISHMENTS

31. Awareness of the trust fund has improved and there is a constant flow of requests for information. About 500 copies of the PRSTF pamphlet have been distributed. Detailed information developed to clarify the role of task managers and of implementing agencies has substantially increased understanding about the PRSTF, and reduced the average time taken to meet all the processing steps in-country and final approval in Washington.⁵

32. Table 6 shows that available funds are expected to decline to approximately USD5 million by February 2004.⁶ Based on current patterns, this would finance a further 10-12 proposals, that could be expected to be committed to approved country applications within the next six to eight months (that is, by September 2004). The italicized row provides a staff estimate of projected available funds for commitment at the time of the next PRSTF progress report (February 2004). Detailed proposals already exist for three countries (Cambodia, Indonesia, Nicaragua) and are expected to be approved by mid-October. A further six draft proposals have also been informally passed to PREM/TFO for comments including, for example from Timor-Leste and Bangladesh.

Table 6: Projected commitments for the PRSTF, August 2003 and beyond

	Amount (USD millions)	Percentage of total fund
Funds received	19.6	100%
Existing commitments	10.1	52%
Available funds (August 2003)		
<i>(Total received minus Commitments to date)</i>	9.5	48%
Average grant to date	0.4	2%
<i>Projected grants in the pipeline (September - February 2004) *</i>	4.6	23%
<i>Projected available funds (February 2004) *</i>	4.9	25%

** with approval of three detailed proposals in the pipeline and seven additional applications also in the pipeline*

33. There are two additional sources of demand. In the short-term, a number of countries that are newly embarking on the PRSP approach, for example, Indonesia, are expected to apply. In the medium-term, some countries, such as Georgia, who made an early application to the PRSTF and who will have implemented their first two-year grant by the end of August 2003, will submit second applications. Given the number of proposals in the pipeline, and the rate at which proposals are being prepared, demand is expected to exceed the supply of funds in FY04.

⁵ Information including step-by-step guidance (in French, Spanish and Portuguese), and application forms are available at: <http://www.worldbank.org/poverty/strategies/prstf/trustfund.htm>

⁶ Note that these estimates do not include the recently indicated Swiss contribution.

34. Based on the current levels of demand, even with the expected Swiss contribution, the PRSTF will be unable to make new commitments by December 2004 (that is, the entire fund would have been committed). Given this, the World Bank is urgently seeking further contributions from donors to replenish the PRSTF.

6. TRUST FUND ADMINISTRATION

35. A number of strategic issues were discussed at the Advisory Board meeting in April 2003. Given the likelihood of demand outstripping supply in the foreseeable future, three of these have become more urgent namely,

1. Funds to date have been allocated on a first-come first-served basis but it is this may not be the fairest way to proceed if demand at some point outstrips supply of PRSTF resources. Should funds perhaps be targeted at countries with higher or deeper levels of poverty? With larger numbers of poor people? Or with fewer active donors available to provide support?
2. It is formally possible that the In-Country Steering Committee could approve a grant without there being sufficient funds available to support the application. (Applications may be made without prior knowledge of the proposal in headquarters.) The possible disconnect between the approval at country level and the strategic oversight of the fund in Washington needs to be addressed if situations such as this are to be avoided. For example, by requiring *ex-ante* notification of World Bank, headquarters of proposed steering Committee Meeting and likely requested amounts.
3. The Standard Provisions were revised so that countries can apply for additional funds after expiration of the first two year period using the normal procedures (paragraph 6.2). Here there may well be a desire to support the ongoing dynamic PRSP processes at the country level, but there may also be a desire to distribute funds more evenly to benefit new applicants. Some rules for rationing of funds may be required here also.

36. These issues are directly relevant only in the absence of additional contributions or replenishments to the PRSTF, but nonetheless do warrant some (re)consideration at this point.

ANNEX 1: PRSTF grants approved during March-August 2003

Bosnia-Herzegovina

- Strengthening the capacity of Government to implement the PRSP and to monitor and evaluate implementation progress;
- Supporting the establishment, coordination and activities of the PRSP working groups, with emphasis on training and seminars of line ministries;
- Developing M&E capacity in priority areas, including key legislation and sectoral budget allocations;
- Supporting stakeholder consultation and public participation process.

Eritrea

- Strengthening capacity of the Department of Macro Policy and International Economic Cooperation in the Office of the President in order to develop a PRSP;
- Identifying priority sector and policy reforms;
- Analyzing the impact of alternative policies and programs on economic growth and poverty reduction;
- Identifying indicators and developing monitoring systems and plans;
- Holding consultative workshops with national stakeholders and development partners;
- Translating and disseminating the final PRSP.

Honduras

- Strengthening the capacity of Government and NGOs to implement the PRS at both national and municipal levels;
- Improving access to information at the municipal level;
- Strengthening the M&E capacity of line ministries at the municipal level;
- Promoting dialogue with civil society at the national and municipal level;
- Improving public expenditure management systems;
- Developing local capacity to revise, execute and monitor the PRS;
- Strengthening civil society's capacity to monitor the social impact of PRS projects at the national level.

Lesotho

- Strengthening the capacity of the PRSP Secretariat to establish a M&E system for the full PRSP;
- Costing of the programs and policies to be include in the PRSP, linked to the medium term expenditure framework (MTEF);
- Developing local capacity to evaluate the social and poverty impact of PRSP policies;
- Strengthening the capacity of the local private sector to participate in the PRSP process and produce a private sector strategy for the PRSP.

Malawi

- Implementation of the Second Integrated Household Survey which will provide baseline data at a district level for monitoring the implementation of the PRSP;
- Facilitating in-depth quantitative analysis for assessing the impact of poverty reduction programs;
- Providing the benchmark data necessary for monitoring and strengthening the capacity of the Government (from central to district planning) to undertake poverty analysis and sectoral work.

Mongolia

- Capacity building seminars and workshops on participatory processes and consultative techniques such as participatory poverty assessments, monitoring of public expenditure, citizens report cards and community-based monitoring;
- Raising awareness of gender and poverty issues among key stakeholders, and improving the integration of gender issues in the PRSP and MTEF;
- Holding a series of public debates and national and regional workshops to gather stakeholder inputs for PRSP implementation;
- Piloting an independent monitoring system of poverty reduction programs led by a network of local NGOs.

Tajikistan

- Prepare detailed costings to enable trade-offs among various policy initiatives;
- Facilitate consultation among line ministries in the process of annual budget formulation and prioritization of the PRSP (for the 2004-06 MTBF)
- Strengthening capacity of key stakeholders in participatory monitoring and evaluation of the PRSP, including Government, Parliament, the Media, and CSOs ;
- Dissemination activities, including posting information on the Government website, periodic journals, local newspapers, posters, radio, television, and press releases.

Tanzania

- Support the establishment of a household survey to strengthen poverty monitoring capacity of the Government;
- Analyze the data to better understand household vulnerability and gauge demand for commodity-price and rainfall-based insurance;
- Workshops with stakeholders to discuss results, and ensure that the study forms an input into the revision of the PRS in FY06;
- Capacity building whereby local researchers are coupled with international experts.

Yemen

- Establish the PRSP Monitoring Follow-Up Unit including background papers and analytical studies on various poverty issues, and training;
- Training for updating the survey framework and the field survey components of the Household Budget Survey to be carried out in 2004;
- Budget allocation studies that will feed into policy formulation and improve prioritization of government actions;
- A series of workshops, seminars and training to encourage stakeholder consultation, participation and dissemination of the PRSP including parliamentarians, civil society, private sector, and academics.

Serbia Montenegro

- Strengthening analytical capacity and providing support in the formulation of the sector strategies;
- Providing support to civil society stakeholders to strengthen participation and the consultation process;
- Improving analytical capacity and providing support in the PRS preparation and finalization.

Annex Table 1. Countries with PRSTF Applications as of August 2003

<i>Early PRSTF Applications¹</i>	<i>Recent PRSTF Applications²</i>
Albania	Bosnia-Herzegovina
Armenia	Eritrea
Cape Verde	Honduras
Comoros	Lesotho
Cote D'Ivoire	Malawi
Djibouti	Mongolia
Georgia	Tajikistan
Kyrgyz Republic	Tanzania
Mauritania	Yemen
Moldova	Yugoslavia
Pakistan	
Uganda	
Vietnam	

1/ PRSTF Applications reviewed in the previous report.

2/ PRSTF Applications completed since March 2003.

Annex Table 2. PRSTF Grants, March – August 2003

Country	Title	Amount
Bosnia-Herzegovina	Poverty Reduction Strategy Paper Implementation M&E	492,400
Eritrea	Preparation and Dissemination of PRSP	491,000
Honduras	Implementation, Monitoring and Evaluation (M&E) of Poverty Reduction Strategy	492,000
Lesotho	Capacity building and strengthening the PRSP Secretariat	497,837
Malawi	Integrated Household Survey	492,080
Mongolia	PRSP (EGSPRS): Institutionalizing Participatory Process and Integrating Gender	259,362
Tajikistan	Capacity Building in Implementation and Monitoring and Evaluation of the PRSP	404,880
Tanzania	Household Vulnerability and Market based Insurance Schemes	311,576
Yemen	Coordinate and Monitor the Implementation of the Poverty Reduction Initiatives	499,499
Yugoslavia	Capacity Building for the PRSP	498,000
Total (USD)		4,438,634